No. 27,224 Friday March 18 1977 ** 12p

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FINANCIAL TIMES

NEWS SUMMARY

GENERAL

Most wanted Provo held

McMorrow, a 26-year-old r from the Irish Guards has been on Scotland "Most Wanted" list for years in connection with s of IRA outrages, was d by troops in the Irish e yesterday after a gun

rrow was held after being d by Irish police at a se in the hamlet Money- ar Swalinbar, Co. Cavan. ere fired from the farm olice stopped to search it. were called and there ooting as they moved in. ber of men made a dash border, but McMorrow zed after being cornered ld.

nd Yard wishes to inter- cMorrow about the M62 last in which 12 people d bombings in London, has first to face trial in Special Criminal Court ges connected with yester- ooting.

...ades

e Irish Republic 6,000 Americans watched and St. Patrick's Day parades. elfast 4,000 Republicans the length of Falls Road r way to an Andersons- lly. Later a man was ad outside a Shankhill b.

Londonderry more than embers of the Ulster Regiment were called emergency full-time duty

...ets law move

rlyn Rees, the Home y, hopes to introduce the Information Act to re- ction Two of the Official Act in the autumn. Back be High Court yesterday d an appeal by U.S.-born st Mark Hosenball deportation order.

...an storms on

Wigan's run of success d at Cheltenham yester- e his nap, Meladon, won ily Express Triumph t 6—1. This carried his naps profit to daily £1 o £19.15 and extended l at the top of the Life naps table to Meladon was Wigan's ning nap of the season. Lanzarote and to-day's age 2

...es of punk

ad recording company, Records, has ended its with the Sex Pistols ock group, which has a cheque for £75,000 week after being signed January, the group was to have received a pay-off from EMI.

...y ...

ernment's White Paper elections to the Euro- rliament is expected to lished the week after rliament, Page 18

t Castro of Cuba has in Tanzania from Ethio- ces invading Zaire from have taken three border Page 7. Ethiopia break- t, also Page 7

raiders coshed two men and held workers oint in an £80,000 wages at a Smethwick, West s, factory.

n Litterick, 59, Labour Birmingham Selly Oak, home was guarded out the night following reats to his family, is in nary care unit of War- spital.

ster Kingman, President University, may succeed nne Armstrong as U.S. ador in London. Page 6.

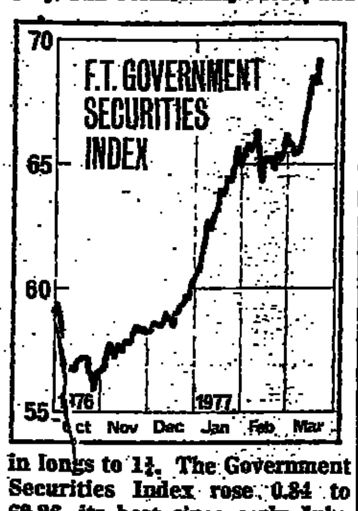
, losing by 45 runs, made et Dunkirk out of the ry Test at Melbourne, g victory in defeat. Bailey, Page 13

BUSINESS

Equities and gilts at 3-year peaks

● EQUITIES gained on a broad front. The FT 30-Share Index rose 5.8 to 433.8, its highest since October 1973. The All-Share was 1.6 per cent. up at 181.09.

● GILTS performed strongly, with rises in shorts extending to ⅞, and occasionally more, and



in longs to 1½. The Government Securities Index rose 0.84 to 69.26, its best since early July, 1973.

● STERLING fell 5 points to $1.7190; the index fell to 61.9 (62). The dollar's weighted depreciation widened to 0.50 (0.44) per cent.

● GOLD rose $1 to $148½.

● WALL STREET closed 3.16 down at 964.84.

Iron ore plant for Tyneside

● IRON ORE processing plant costing £90m. is to be built on Tyneside by a consortium comprising Consolidated Goldfields, Sheerness Steel Company, Fiat, Manchester Steel Company and Tube Investments. Back Page and News Analysis Page 10

● MONEY SUPPLY fell again last month, due to continued sales of gilts and a drop in bank lending. Bank of England indicated that the authorities would be unhappy to see a fall of more than ¾ per cent. in MLR to-day. Back Page.

● BRITISH National Oil Corporation will have access to more than 1.2bn. barrels of oil a day by 1981, equivalent to two-thirds of present U.K. consumption, according to a new North Sea report. Page 10

● MEMBERS of the SOGAT print union overwhelmingly rejected joint proposals for the introduction of computer-based technology in Fleet Street. Page 12

● JAPANESE trade surplus in February was $1.25bn., ensuring that the surplus for the fiscal year ending on March 31 will exceed $10bn. Page 8. The first ever yen bond issue on the Euro-market is expected to be authorised shortly. Page 28

● AUGUST THYSSEN-HUETTE, the largest West German steel group, has managed to stay in the black in the first half, despite the poor state of the steel market. Page 28

COMPANIES

● BP pre-tax profit for 1976 rose to £1.78bn. (£1.52bn.). Net profit was £185.9m. (£149m.). Page 23 and Lex

● SLATER, WALKER Securities unaudited net loss for the six months to June 30, 1976, was £6.34m. after tax and minority interests. Page 24 and Lex

● ENGLISH PROPERTY Corporation pre-tax profit for 1976 rose to £7.46m. (£4.26m.). Page 23 and Lex

● ESTATES House Investment Trust confirmed it was having talks with an unnamed third party which might lead to an offer being made. Page 24 and Lex

PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)

RISES

12½pc '81	£107¾ + 1⅝
y 13pc 1990	£105¼ + 1¾
nsulators	48 + 5
Dairies	265 + 7
P. Cement	194 + 7
efd.	243 + 6
s Bank	273 + 8
Devs.	86 + 6
ater Ests.	228 + 13
ta Invs.	235 + 9
bury Estates	185 + 11
(Wm.) A	140 + 7
Rue	345 + 10
House Inv.	262 + 15
(J.)	210 + 8
	222 + 6
Wharf	95 + 9
	114 + 9
frigeration	68 + 6
London United Invs.	81½ + 4
Mothercare	252 + 8
Norwest Holst	62 + 4½
Press (Wm.)	55 + 8
Pride & Clarke	140 + 18
Rolls-Royce	78 + 4
Sainsbury (J.)	159 + 6
Sale Tilney	168 + 26
Standard Chartered	334 + 14
Thorn Elect. A	284 + 14
Tilling (T.)	85½ + 5½
Wedgwood	185 + 8
Wolf Elect. Tools	100 + 6
Wolseley-Hughes	136½ + 6½
Oil Exploration	92 + 7
Guthrie	217 + 12
Jitra Rubber	39 + 7
President Brand	£10⅝ + ½

FALLS

FMC	111 − 6
Hill (C.) of Bristol	127 − 28
Stilfontein	195 − 10

U.K. could achieve rapid growth says OECD

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Britain could achieve a rapid rate of economic growth compared with past levels and a steady rise in living standards over the next few years, according to a medium-term strategy suggested by the Organisation for Economic Co-operation and Development.

In its annual review of the U.K. economy, the OECD says Gross Domestic Product could grow by 4 per cent. a year between now and 1982, compared with 1½ per cent., annually so far this decade. Private consumption could rise by 3 per cent. a year over the period, against 1½ per cent. annually since 1970.

This strategy "could at the same time generate a relatively large current account surplus on the balance of payments, a substantial reduction in unemployment and an acceleration in the growth of the capital stock."

The OECD claims that "if such a strategy were to succeed, the outlook for the U.K. economy, which only a few years ago seemed bleak, would radically change."

This approach is intended to avoid the "dangers inherent in strategies giving excessive priority to either building up too large an external surplus or to a quick return to full employment."

The key is the build-up of North Sea oil production and the OECD argues that a policy which gave priority to the creation of a large current account surplus—necessarily involving a continuing limit on the growth of domestic demand—might entail the risk of industrial unrest and wage explosions.

On the other hand, a strategy of rapidly restoring full employment might run into bottlenecks at an early stage, thus reviving inflation, because of the very slow growth of the capital stock.

Consequently, the OECD advocates a middle path designed to produce a growth of demand sufficiently strong to bring forth productive investment but not re-igniting inflation. It would be led by rising exports and investment.

Social contract

The emphasis in official statements in the U.K., notably those by the Governor of the Bank of England, has been that the first need will be to achieve a large current surplus for many years in order to repay the large debts incurred during the years of deficit and this will involve restraint on domestic demand.

The OECD recognises in its strategy the need to generate a cumulative surplus in the early 1980s sufficient to repay official debts and says it is "essential that the resources made available because of the North Sea should not be largely devoted to a quick improvement of living standards."

But leaving some scope for consumption could help to maintain "some form of incomes policy and a more orderly development of prices and incomes."

The review is full of praise for the social contract, which must be continued as a "key element in restoring balance in the economy."

In the current talks about policy from the end of July, OECD argues that it "would be highly desirable for the authorities to obtain a uniform percentage increase."

The review suggests that special problems at the bottom and top end of the scale could be tackled by selective tax reductions.

"Such a policy would necessarily, for a time, slow down the process of reducing the budget deficit."

Over the short-term, the OECD says the outlook is for a further period of slow growth, declining real disposable income—possibly down by as much as 3½ to 4 per cent. this year—and increasing unemployment, to about 1.5m. by the end of the year.

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Editorial Comment Page 20

Labour ducks out of vote

By Richard Evans, Lobby Editor

THE GOVERNMENT ducked out of an important Commons division last night when faced with the prospect of a humiliating defeat at the hands of the combined Opposition parties.

At the end of a six-hour debate on the Government's Public Expenditure White Paper the whips tried to prevent the division taking place by refusing to provide Government tellers for the vote.

The proceedings turned to farce when two Scottish National Party MPs volunteered, thus allowing the division to continue. The Tories, with the support of the Liberals, Ulster Unionists and other Nationalist MPs won by 293 votes to nil.

It was a major humiliation for Ministers, who had to face taunts of "resign" from the Tories as they filed out of the chamber after the vote.

Although the division was on the technical motion to adjourn the House—Ministers had decided earlier that they dare not risk a motion to approve or take note of the White Paper—it is a major reverse for the Government and a blow to party morale.

It underlines once again the Government's inability to get legislation through the Commons because Labour is now in a minority of one under all opposition parties and is particularly vulnerable to threats of abstention from its own back benchers.

Mrs. Thathcer and her Shadow Cabinet colleagues must now decide how to make maximum political advantage of the Government's weakness. Had the division been forced on a propei basis and lost by the Government Mrs. Thatcher would have forced a resolution of no confidence in the Government next week.

But now it is likely that the Conservatives will wait for another opportunity in the coming weeks when an issue will arise that will unite the Opposition parties against the Government.

The Tories were highly critical yesterday of the Government's refusal to submit its policies to the Commons, which has the traditional function to scrutinise public expenditure.

The decision to debate the public expenditure White Paper on a procedural motion follows a defeat a year ago on the Government's White Paper when over 20 Labour MPs rebelled.

The reversal follows the rejection of the guillotine on the devolution legislation, the defeat o fthe nationalisation of ship repair companies and the last-minute withdrawal of the direct labour Bil lbecause of the prospects of a Commons defeat.

£ in New York

—	Mar. 17	Previous
Spot	$1.7188-7185	$1.7194-7199
1 month	0.88-0.84 dis	0.97-0.92 dis
3 months	2.55-2.50 dis	2.78-2.73 dis
12 months	9.25-9.15 dis	9.55-9.45 dis

Palestinians hail Carter statement

BY OUR FOREIGN STAFF

MR. YASSIR ARAFAT, chairman of the Palestine Liberation Organisation, last night described President Jimmy Carter's statement referring specifically to the Palestinians' need for a "homeland," apparently a significant move in U.S. Middle Eastern policy, as a "progressive step."

The Arab world, including the PLO, will assess his words to see if they show a genuine shift in U.S. official thinking toward acceptance of the concept of an independent Palestinian State.

Mr. Carter's reference to a Palestinian homeland was at a town meeting in the small community of Clinton, Massachussets.

It followed the reports on Wednesday that the PLO had been invited, with North Korea and Vietnam, to attend Mr. Carter's major speech and subsequent reception at the United Nations in New York last night.

U.S. officials at the White House denied that the PLO's presence at the UN signified a change in the U.S. position about recognising it.

Neither Mr. Carter nor his predecessor President Ford had gone so far as to speak of a "homeland" for the Palestinians.

Inevitably, there was a tendency among Palestinians in Cairo to regard this latest pronouncement as an attempt to mollify Arab and Palestinian leaders profoundly disturbed by his talk of Israel's need for "defensible" borders.

The statement referring to defensible borders has probably resulted in the Palestine National Council being less willing to compromise on the issue of co-existence with Israel. Earlier yesterday, Mr. Arafat took a tough but flexible stand on the question of Palestinian attendance at a reconvened Geneva Conference.

The Palestinian National Council is discussing important decisions about the movement's approach to the anticipated resumption of the peace negotiating process.

Asked to comment on Mr. Carter's statement, Mr. Arafat said that he had not received the text, but it appeared to "help the whole situation."

He added: "It is a progressive step, because he has finally put his hand on the heart of the problem of the Middle East."

Richard Johns writes: Like last week's pronouncement on defensible borders, Mr. Carter's reference to a Palestinian homeland was apparently deliberate. It is not thought that it was meant to "rectify" the balance after the consternation caused by the "borders" reference.

In Washington his use of the word "homeland" caused less surprise than in the Arab world and Israel, because in its review of Middle East policy the Administration is generally believed to have gone further than its predecessor in considering the possibility of an independent Palestinian State.

Until now official diplomatic jargon has not gone beyond "political expression" for the Palestinians.

68 die in Lebanon Left revenge

BY IHSAN HIJAZI BEIRUT, March 17.

AT LEAST 68 people have been reported killed in Lebanon in a wave of revenge murders following the assassination of the Left-wing leader Mr. Kamal Jumblatt. Tens of thousands gathered in his home village of Mukhtara, south-east of Beirut, for his funeral, while high tension prevailed in the Muslim part of the capital.

On the West Bank of the Jordan-Israeli border guards threw teargas grenades to disperse mourning processions in several of the main towns.

In Nablus Arab demonstrators threw stones at passing vehicles. In Ramallah and its twin town of El Bireh, 30 schoolgirls were treated in hospital for the after-effects of teargas.

Christian sources said at least 58 Christians were killed in villages round Mukhtara by sectarian gunmen who moved into action before Syrian troops of the Arab League peace-keeping force could intervene. About ten people were reported killed in Beirut.

Members of Lebanon's Druse community and thousands of other mourners thronged Mukhtara as Mr. Jumblatt, gunned down in an ambush by unknown murderers on Wednesday, was laid to rest.

Druse sheikhs in white turbans and baggy trousers were joined by women in black whose wails and moans filled the valleys of the Chouf region in which Mr. Jumblatt, 60, grew up.

● During the funeral ceremony Jumblatt followers fired guns into the air.

The occasion had a special poignancy, since it brought back memories of a similar ceremony

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Fear of redundancy as Leyland reviews future

BY OUR INDUSTRIAL STAFF

THE CONCLUSION yesterday of British Leyland's month-long toolmakers' strike has cleared the way for a radical review of the company's investment programme which will almost certainly mean some redundancies in the months ahead.

All Leyland Cars workers are to receive a joint letter from management and unions warning that failure to improve radically output levels will mean massive job losses in and outside the company. The initiative was decided by the Cars Council, the top-tier worker participation body, at a special session in Warwick yesterday.

The strike ended when meetings of the 3,000 strikers accepted proposals for a return to work on Monday. Agreement came only a day before Leyland's announcement of its preliminary financial results for last year which is expected to show profits of about £70m.

Three meetings—in Birmingham, Oxford and Liverpool—heard leaders recommend an end to the strike on the understanding that there will be talks on Monday between their representatives, Leyland and the executive of the Amalgamated Union of Engineering Workers. These talks will consider grievances over pay differentials, although there is no question of the toolmakers being recognised as a separate bargaining unit.

Only eight of the 1,700 men at the Birmingham meeting opposed a return to work and there was a similar overwhelming response at Oxford and Liverpool.

The dispute leaves a trail of damage and questions for the future. Recent difficulties have cast doubt over the entire long-term strategy set out in the Ryder report which formed the basis for the Government's rescue of the company almost two years ago.

Among the problems are:

1—In the short-term Leyland has lost 50,000 vehicles worth about £100m. at showroom prices. These cars, the company has stressed, will be almost impossible to recover because it is not sufficiently flexible in its overtime working arrangements;

2—The company has suffered a further erosion of its dealer base at home and confidence overseas. Statements this week by senior executives indicate that Leyland has been losing dealers at the rate of one or two a week for the last month. Overseas contracts are being questioned because of uncertainty about the company.

3—Another searching business review will have to be conducted in the months ahead in the knowledge that this will mean a further delay in the investment programme on which Leyland's future depends;

4—Because of the failure to generate cash as was plan-

Continued on Back Page

Row over Lonrho and SUITS

BY MICHAEL LAFFERTY, CITY STAFF

RELATIONS between Lonrho and the City establishment deteriorated further yesterday as a row broke out involving Robert Fleming, merchant bankers, and Sir Hugh Fraser. The row broke after Lonrho's acquisition of a 24 per cent. stake in Scottish and Universal Investments (SUITS) and subsequent boardroom changes.

These involved Mr. R. W. "Tiny" Rowland, Lonrho's chief executive, taking over as chairman of SUITS, with Sir Hugh stepping down to become deputy chairman and the appointment of two other Lonrho executives to the Board.

It also emerged that some large City investing institutions are far from happy with SUITS' new major shareholder. M and G, the second largest unit trust group, remarked icily that it was not impressed and would be studying the new situation. It owns about 3 per cent. of the SUITS shares.

The most striking development was an announcement put out by SUITS' recently appointed merchant bankers, Robert Fleming, which said: "The decisions of the Board of Scottish and Universal Investments Limited reflected in its announcement of March 16 were not taken in accordance with the advice of Robert Fleming and Co. Ltd., the Company's financial advisers. Robert Fleming and Co. are considering whether there is any way in which they can further serve the interest of the Company and all its shareholders."

Elaborating on the announcement, Fleming later said that its objection was not a matter of individuals but of principle. It felt there should have been further consideration before the boardroom changes which followed the Fraser sale to Lonrho were made.

The Robert Fleming statement provoked immediate replies from Lonrho and Sir Hugh Fraser. Mr. F. A. Butcher, one of the three Lonrho directors to join the SUITS board, remarked: "This is the first time I have known a merchant bank discuss its client's affairs in public. To me it is a change in City practice which I deplore.

"They talk about the so-called unacceptable face of capitalism, this appears to be the unacceptable face of certain banks."

Sir Hugh Fraser, noting that Fleming was considering its position, remarked: "We will be considering their position too at our Board meeting on March 29."

Mr. Alec MacKenzie, the Scottish chartered accountant who resigned from the SUITS Board after the Lonrho share purchase, said he had taken his decision because the proposition from Lonrho involving the new Board appointments "allowed no time for discussion and negotiation in the interests of the shareholders as a whole." He had been appointed to the Board after institutional pressure and was considered by some as a suitable successor to Sir Hugh as chairman.

Asked why Lonrho purchased only 24 per cent. of the equity instead of bidding outright for the company, Sir Hugh Fraser said: "They suggested 24 per cent. They wanted to take an investment in the company but did not want it to be too big. The Fraser family still has 11½ per cent."

Although SUITS owns 10.3 per cent. of House of Fraser, the stores group which owns Harrods where Sir Hugh remains as chairman, he said that Lonrho would not be getting involved in its affairs.

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FEATURES

FT SURVEY

ON OTHER PAGES

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LOMBARD

Finding out on the spot

BY BRIDGET BLOOM

SOMETIMES the wisdom of the Foreign Office passes all understanding. Dr. David Owen's chances of stimulating a new initiative on Rhodesia which might actually lead to a settlement in that increasingly tragic country are acknowledged to be very slim by all observers. But the decision of the Foreign Office, reinforced by the Prime Minister, that the new Foreign Secretary is not to go to Rhodesia on his forthcoming tour of southern Africa throws away, before the visit has so much as begun, one key card in a hand which over the years has been shown to be singularly lacking in trumps.

If Dr. Owen has anything to offer at the present time in southern Africa it is that he is a new man, in a new job, who might, just conceivably, be able to bring a fresh approach to a horribly involved problem. He does not yet know these problems at first hand, but he apparently wants to learn. That is the message of his statement on Monday announcing that his aim "will be to have first-hand discussions with those most directly concerned." He is going to key African frontline states, and to South Africa, where, the Foreign Office indicated, he is likely to meet Mr. Smith.

But why not go to Rhodesia itself? Mr. Callaghan was asked why not in Parliament on Tuesday. He replied with the by now tired and increasingly irrelevant explanation that Rhodesia is a British colony in rebellion and therefore not to be visited by a British minister.

Sad response

Apart from the fact that British ministers have been before, and presumably will have to go again, the sad thing about this response is that the government and its officialdom has got so innured to failure in Rhodesia that it is in a straitjacket of its own making.

One wonders whether the decision to leave out Rhodesia has the backing of Washington, where the visit was obviously discussed between Mr. Callaghan and President Carter.

Or could it be that the Prime Minister, having himself left out Salisbury when he visited Southern Africa two years ago doesn't want to create precedents, and (wicked thought) even wants to keep his new Foreign Secretary on something of a leash?

Whatever the explanation, the decision to keep Dr. Owen out of Rhodesia is foolish. He should go, and should make sure that he not only meets Mr. Smith and his colleagues, but as many other Rhodesians, black and white, as possible. For the simple fact it that there is no other way he can attempt to overcome one of the big faults of all British attempts to "solve" Rhodesia: lack of knowledge of Rhodesia itself.

Although there are many examples in the past, let us take a recent one. Early in January, Mr. Ivor Richard, sincerely trying to keep the Geneva conference from collapse, had a very tough meeting with Mr. Smith. Undeterred, he went back again, this time with sketched out British proposals which he presented to the Rhodesian Prime Minister on Friday, January 21. He had a 2½ hour meeting which he and his officials from the Foreign Office clearly found very encouraging.

To my knowledge, the only people who warned him that Mr. Smith's encouragement almost certainly hid a determination to reject the proposals were three journalists who were actually living and working in Rhodesia. The British team remained unconvinced and optimistic noises went out to London, Washington and Pretoria. On the following Monday of course the proposals were rejected out of hand.

He should go

Now I am not suggesting that this misreading of the Rhodesian scene was anything like the main reason for the collapse of the Kissinger/Richard initiatives—the end of that particular road would probably have come quite soon anyway. Neither am I suggesting that journalists are all knowing—merely that those three knew their business, which was to know Rhodesia. But if Rhodesia had been better known by Whitehall over the years, mightn't the situation now be different?

So Dr. Owen should change his mind and go to Rhodesia. Obviously he will be mindful of Mr. Smith's deserved reputation as the victor of such encounters in the past. Obviously he will make it clear that we can only accept a rapid transfer to majority rule, and that there can be no conceivable western help for any other solution. Obviously, he will know that his mission is no more likely to be successful than any other. But he should still go

RACING — BY DOMINIC WIGAN

Lanzarote dies in Gold Cup

THE 49TH RUNNING of the Cheltenham Gold Cup, won by Ireland's Davy Lad, was marred badly yesterday by the death of Lanzarote.

Fred Winter's remarkable nine-year-old, strongly fancied by his connections as the first horse in history to complete the Champion Hurdle Gold Cup double, fell breaking his near hind, after misjudging the ninth.

In falling Lanzarote brought down the heavily backed favourite Bannow Rambler, another challenger from Ireland.

With Lanzarote, Bannow Rambler and another early *faller*, Fort Devon, out of the way, the final mile was dominated by Davy Lad, Summerville and Tied Cottage.

Two fences from home it seemed on the cards that one of the last two named would win, but Davy Lad's endless stamina came into full play and he asserted his superiority.

For Davy Lad's partner, Dessie Hughes, this victory was the climax to a magical festival *meeting. Yesterday he achieved* a 67-1 double on Counsel Cottage and Skymass.

Just over an hour before Davy Lad's triumph the Irish had another winner to cheer home when their principal hope Meladon proved too strong for the home contingent, led by Decent Fellow, in the Daily Express Triumph Hurdle.

At the final flight Decent *Fellow, who looked far from* enthusiastic when going down to Rathconrath at Haydock last timeout, appeared to have things well under control. However, Tommy Carberry—probably the *most experienced tactician riding* at Cheltenham—got a tremendous response when asking Meladon for an effort, and the Adrian Maxwell four-year-old forged clear close home, to defeat his Weyhill rival with a fair bit in hand.

As anticipated, the exceptionally testing ground at Lingfield has brought about a tremendous number of withdrawals, and *a total of only 43 runners is to be* found in action on this six-race jackpot card.

The worst-hit race is the two-mile Dormans Chase, which sees the much-improved Aztec Star taking on Cruiscin Lan in a match. Here I cannot see the ten-year-old Cruiscin Lan, a remote second behind his rival over this course and distance a fortnight ago, proving any trouble, even on 6 lb better terms.

Fred Winter, for whom the death of Lanzarote was the last piece of misfortune in a chapter of setbacks at Cheltenham, reports that Bula is eating up well, and on the way to recovery *after his hairline fracture of the* shoulder on Tuesday.

LINGFIELD
2.00—Selway**
2.30—*Cheapside**
3.00—Barry John
3.30—Game David
4.00—Aztec Star
4.30—Satan Power

UTTOXETER
2.15—*Honourable Enoch*
2.45—Spacer***
3.15—Downing Arms
4.15—Moonstone Lad

SALEROOM — BY PAMELA JUDGE

Evelyn table sold for £25,000

AN ASTONISHING £25,000 was paid at Christie's yesterday for John Evelyn's table, a fine heavily carved walnut and limewood work by Grinling Gibbons. Before the sale it was estimated that the Charles II side table would fetch £2,000-£3,000. The buyers were London picture dealers Hazlitt Gooden and Fox.

In his MS inventory of Wotton House, near Dorking, Evelyn recorded that the table was given to him by Gibbons "in *acknowledgement of my first* Recommending him to K. Charles the Second, before which he was scarce known." A group of Evelyn family portraits goes for sale to-day at Christie's and the *house will auction the Evelyn* library in June.

Furniture from the missing Lord Lucan's home fetched a total of £4,840 at the same sale. The four lots went in three and a half minutes. A giltwood mirror made £400, a George II sycamore marquetry work table fetched £540, a William and Mary chest-on-stand sold for £1,000 and £2,900 was paid for a set of five George III giltwood open arm chairs and a pair of sofas.

The whole sale—of English furniture, Eastern rugs and carpets—totalled £175,292 with very few lots unsold. A late George III satinwood writing table was bought by Asprey for £6,500 and a Regency mahogany hanging display cabinet (a companion to one in the Victoria and Albert Museum) went to Hotspur for *£5,800*.

A Yomut carpet sold for £1,900 to Nasser Carpets and a Heriz carpet went for £1,700 to a private buyer.

WINE SALE

Claret prices advancing

BY EDMUND PENNING-ROWSELL

IN SPITE of the extensive range and considerable amount of fine clarets in Christie's sale yesterday, prices paid — and only one *lot out of 457 remained unsold* — showed no going back on recent advances. There were a number of record prices, including haut-brion '53 (£260 per dozen), Lafite '55 (£280), Ch. Margaux '61 (£310) and Pétrus '62 (£195).

Since, however, many purchasers were American, it is not yet clear whether current prices in the saleroom still reflect sterling's low rating or represent domestic demand, although some private English buyers were successful yesterday.

Among no fewer than 35 different '70s — a vintage first boosted by speculation and then much depressed — Latour made a record £145 for six magnums. Pétrus scored £210 and Mouton-Rothschild £120. The sale total was £68,833.

Cricket is on Page 13

TV Radio

† Indicates programme in black and white.

BBC 1

6.40-7.55 a.m. Open University (UHF only). 9.30 For Schools, Colleges. 10.45 You and Me. 11.05 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Trumpton. 2.02 For Schools, Colleges. 3.00 Dechrau Canu Dechrau Canmol (Welsh hymn-singing). 3.50 The Sky At Night. 3.53 Regional News (except London). 3.55 Play School. 4.20 Roobarb. 4.25 Jackanory. 4.40 Lippy Lion and his Friends. 4.55 Crackerjack.
5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.45 Sportswide.
7.00 The Tom and Jerry Show.
7.10 The Fantastic Journey.
8.00 Are You Being Served?
8.30 Porridge.
9.00 News.
9.25 Miss England 1977.
10.15 Tonight (London and South East only).
10.45 Regional News.
10.46 Max Boyce In Concert.
11.26 The Friday Film: "Z," starring Yves Montand.

All Regions as BBC-1 except at the following times:—

Wales—1.45-2.00 p.m. Sioncyn Sboncyn. 5.55-6.20 Wales To-day. 7.00 Heddiw. 7.25 Twndish. 7.50-8.00 Tom and Jerry Show. 9.25 Uncle Sam Meets The Red Dragon. 10.10 Kane On Friday. 10.45-10.46 News for Wales.

Scotland—10.23-10.45 and 11.30-11.50 For Schools. 5.55-6.20 Reporting Scotland. 8.30-9.00 Current Account. 10.15 'Se 'Ur Beatha. 10.45-10.46 News for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 Gallery. 10.45-10.46 News for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich) Variations; Midlands (Birmingham) Countrywide Calendar; North (Leeds) The Way It Is With Me; North East (Newcastle) Lindisfarne; North West (Manchester)) Is It Worth It? South (Southampton) Open To Question; South West (Plymouth) Peninsula; West (Bristol) The Buses.

BBC 2

6.40-7.35 a.m. Open University.
11.00 Play School.
4.55-5.45 and 6.10-7.00 Open University.
7.00 News On 2 Headlines.
7.05 Indoors Outdoors.
7.30 Newsday.
8.05 Gardeners' World.
8.35 The Money Programme—The Green Pound: Devalution.
9.00 Pot Black 77.
9.25 Horizon.
10.15 The Roads To Freedom.
11.00 Barbra Streisand in conversation.
11.30 Late News On 2.
11.40-11.45 Closedown: Gabriel Woolf reads "Essential *Memory*," by Roy Fuller.

LONDON

9.30 a.m. For Schools. 12.00 Kathy's Quiz. 12.10 p.m. Hickory House. 12.30 Sounds Like McEvoy. 1.00 News, plus FT index. 1.20 Today's Post. 1.30 About Britain. 2.00 Money-Go-Round Good Afternoon. 2.25 Friday Matinee: "The Going Up Of David Lev." 3.50 The Cedar Tree. 4.15 Dominic. 4.45 Magpie. 5.15 University Challenge.
5.45 News.
6.00 Matter Of Morals.
6.35 Crossroads.
7.00 Beryl's Lot.
7.30 Sale Of The Century.
8.00 Emergency.
9.00 Raffles.
10.00 News.
10.30 Police 5.
10.40 Russell Harty.
11.40 U.F.O.
12.40 a.m. Close—Tony Bridge meditates on Old Masters.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. †2.25 Friday Afternoon Film: "Made In Heaven." 5.15 Survival. 6.00 About Anglia. 8.00 The Streets of San Francisco. 10.30 Probe. 11.00 Mystery Movie—McCloud. 12.45 a.m. Men Who Matter.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. †2.25 Movie Matinee: "All For Mary." 5.15 Friday's People. 6.00 ATV Today. 7.30 Emergency. 8.30 Sale of the Century. 10.30 ATV Horror Picture House: "The Abominable Dr. Phibes."

BORDER

†1.20 p.m. Border News. †2.25 Friday Matinee: "Take My Life." 6.00 Border News and Lookaround. 7.30 The *Bionic Woman*. 8.30 Sale of the Century. 10.30 Border Parliamentary Report. †11.00 Late Night Film: "Where the Bullets Fly." †12.35 a.m. Border News Summary.

CHANNEL

†1.15 p.m. Channel Lunchtime News and What's On Where. 2.25 The Friday Matinee: "The Strong Man." †6.00 Report at Six. 7.00 Treasure Hunt. 7.30 The Six Million Dollar Man. 8.30 Beryl's Lot. 10.30 Late With Danton. †10.50 Late Night Movie: "The Horror Of It All." †12.10 a.m. News and Weather in French.

GRAMPIAN

9.23 a.m. First Thing. 1.20 p.m. Grampian News Headlines. †2.25 Friday Matinee: "Good Morning Boys" starring Will Hay. 5.15 The Mary Tyler Moore Show. 6.00 Grampian Today. 7.00 *Thingummyjig*. *8.00 The Electric Theatre* Show. 8.30 Sale of the Century. 10.30 Late Night Movie: "The Gorgon." followed by Road and Ski Report. 12.00 Reflections.

GRANADA

1.20 p.m. This Is Your Right. †2.25 Friday Matinee: "Young Wives' Tale." 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Kick Off. 7.0 The Six Million Dollar Man. 8.30 Sale of the Century. †10.30 House of Horrors: "House on Haunted Hill." 11.55 Ryan.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 2.25 The Friday Matinee: "A Window In London." 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Big Bad Now. 7.30 The Bionic Woman. 8.30 Sale of the Century. 10.35 Report Extra. 11.05 The Late Film: "Prudence And The Pill."

HTV Cymru Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.15-4.45 Taro'mlaen. 6.00-6.15 Y Dydd. 6.30-7.00 Dave Allen and Friends. 10.35-11.05 Outlook On Agriculture.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Women Only. †2.25 Feature Film: "Background." 5.15 Karl. 5.20 Crossroads. 6.00 Scotland Today. 6.30 *Emergency*. 7.30 *The Bionic Woman*. 8.30 Sale of the Century. 10.30 Ways And Means. 11.00 Late Call. 11.05 Sneak Preview.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 2.25 The Friday Matinee: "My Darling Daughter's Anniversary." 5.10 Weekend. 5.20 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 58 and 60). 6.05 Scene South East (Channels 10, 45, 64 and 66 only). 6.30 Out of Town. 8.00 The Bionic Woman. 10.30 A Way Of Life. 11.00 "The Skull" starring Peter Cushing. 12.30 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. North East News and Lookaround. †2.25 Friday Film Matinee: "Background." †5.15 The Addams Family. 6.00 Northern *Life*. 7.30 The Bionic Woman. 8.30 Sale of the Century. 10.30 Sportstime. 11.05 Friday Night Film: "The Blood Beast Terror." 12.00 a.m. Open Bible.

ULSTER

1.20 p.m. Lunchtime. †2.25 Friday Matinee: "House of Menace." 3.48 Ulster News Headlines. 5.15 Spiderman. 6.00 Ulster Television News. 6.05 Crossroads. 6.30 Reports. 6.50 Police Six. 7.30 Six Million Dollar Man. 8.00 Sale of the Century. 10.30 Sportscast. 11.00 Friday Film: "The Men from Uncle." 12.25 a.m. Bedtime.

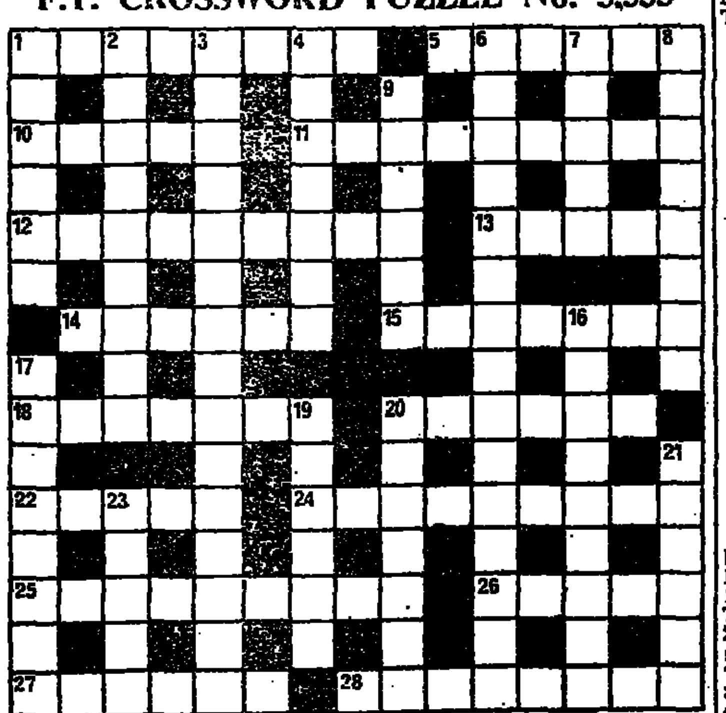
WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 Friday Matinee: "The Strong Man." 6.00 Westward Diary and Sports Desk. 7.00 Treasure Hunt. 7.30 The Six Million Dollar Man. 8.30 Beryl's Lot. 10.32 Westward Late News. 10.35 Late With Danton. †10.50 Late Night Movie: "The Horror Of It All." 12.10 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. †2.25 Friday Film Matinee: "Background." 5.15 Calendar Sport. 6.00 Calendar (Emley Moor and Belmont editions). 7.30 The Bionic Woman. 8.30 Sale of the Century. 10.30 Friday Night Spies: "The Double Man."

F.T. CROSSWORD PUZZLE No. 3,333



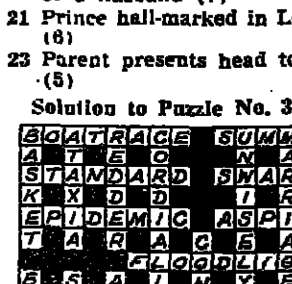
ACROSS

1 Foreign capitalist (8)
5 Sailor Bill joins you and me at children's counter (6)
10 Familiar name given to early king by a *student—shame!* (5)
11 Think to have a flutter (9)
12 Mean sailor to become a hawker (5, 4)
13 Strong smell beheaded fish (5)
14 Position taken by small boy in front of church (6)
15 Tired of losing by one at Lords (3, 4)
18 Examination of part of South America by Sarah (7)
20 Blend tar upset inside mould (6)
22 Head in charge of subject (5)
24 Rural mice may be often changing (9)
25 No *compromiser specialising* in the end (9)
26 Dodge employed by woman about notice (5)
27 Strain of making self-starter lock (6)
28 *Coppers* meet trouble under the arches (4, 4)

DOWN

1 Port authority on the rocks because of fish (6)
2 Mirror is for the thoughtful person (9)
3 Wholesale victory leads to effective brush-off (5, 7)
4 Soothe by re-cooking a sausage (7)
6 Pointless fiddle regarding murderous weapon (5, 10)
7 Bond has tea at home (5)
8 Notice object boiling (8)
9 Bird eating what needs keeping up by the faint-hearted (6)
16 Start in No. 1 gear—it makes a change (9)
17 Notice the French ship is clean (8)
19 Clear disabled walk? I would (6)
20 Mother has right to twist tail of a husband (7)
21 Prince hall-marked in London (6)
23 Parent presents head to king (5)

Solution to Puzzle No. 3,332



RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Tim Gudgin (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m.: As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Jean Metcalfe's Open *House* (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.90 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m. only (also 202m. Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Tim Gudgin (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Treble Chance. 7.30 Summer Songs (S). 8.02 Paul Fenoulhet conducts the BBC Radio Orchestra (S). 9.02 Friday Night Is Music Night (S). 10.02 Sports Desk. 10.05 Sequence Time at the Radio 2 Ballroom (S). 11.02 Len Jackson with The Late Show (1,500m. only, also 202m. Scotland. VHF joins Radio 1). 12.0-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only

‡6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Rameau (S). 9.35 BBC *Northern Ireland Orchestra* (S). 10.20 Melos Ensemble of *London* (S). 11.05 Words . . . Talk. 11.10 Concert, part 2 (S). 12.20 p.m. Midday Concert, part 1 (S). 1.00 News. 1.05 Playbill (S). 1.20 *Concert, part 2* (S). 2.20 Royal Repertoire (S). 3.20 Szymanowski violin and piano recital (S). 3.55 Solomon's Beethoven (S). 4.45 The Young Idea (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: Leisure and Recreation. 7.30 Music From Pebble Mill, part 1 (S). 8.15 Is Your Theology Really Necessary? 8.35 Concert, part 2 (S). 9.15 BBC Symphony Orchestra (S). 10.30 Music Now. 11.10 Dowland lute recital (S). 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today including Sports News, Today's Papers, and 7.25 (VHF) Regional News. 7.45 Thought for the Day. 8.00 News and more of Today including 8.25 (VHF) Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People. †10.00 News. †10.05 Checkpoint. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 A Place of Martyrs. 12.00 News. 12.02 p.m. You and Yours. 12.27 Just A Minute. †12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (from 2.00) from Bristol, including 2.00-2.02 News. †2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. †5.30 Financial Report (VHF) Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 The Enchanting World of Hinge and Bracket. 6.45 The Archers. 7.00 News. 7.05 The World In Focus. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today In Parliament. 11.25 Week ending. 11.50 News.

For Schools (VHF only) 9.20 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Tony Fish with Rush Hour. 9.00 London. 9.20 Astley Jones with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Susie Barnes with Home Run. 6.00 London Sports Desk. 6.30 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.30 Black Londoners. 10.03 Andy Finney with Single File. 12.00 Close: as Radio 2.

London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "A.M."—breakfast time show. 10.00 Brian Hayes. 1.00 p.m. Newswatch. 1.30 Claire Rayner and Vivian White. 5.00 Newsbreak. 8.00 Music in Stereo. 9.00 David Bassett. 1.00-5.30 a.m. Nightwatch.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. Breakfast Show. 9.00 Michael Aspel. 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Adrian Love's Open Line. 9.00 Your Mother Wouldn't Like It. 11.00 Tony Myatt's Late Show. 2.00 a.m.-6.00 a.m. London Link Worldwide.

ema

Pleasure never is at home

by NIGEL ANDREWS

:utterfly Ball (U) — Odeon, Chelsea
e (AA) — EMI Bloomsbury
re at Her Majesty's (A) — Academy Three
ı Avant-Garde Film — Hayward Gallery
Name of the Father (AA) — The Other Cinema
c Cinema Portobello Road
ameraman
c Cinema Covent Garden
'ortrait — ICA

A living statue from 'In the Name of the Father'

the honourable excep- ! Roger Graef's *Pleasure Majesty's*, a film record Charity revue staged last n the West End by a assortment of British the new British films quite undreamt-of depths. Klinger's *The Butterfly* .n account of a filmed ncert at the Albert Hall, e in my seat for less than f its 87-minute length. gh the right of early ire is one that critics exercise sparingly, es and fetters could not :ept me secured to my for the entire duration film. Klinger has had spiration of intercutting of the artists in perform- (who include Twiggy, Glover, Carl Jordan, Lee Soule and others) ich cheerfully variegated material as scenes of ; at play (actors in e à la Beatrix Potter), ing belly dancers, and dropping bombs over n. The mixture of trendy nism and fulsome bad at results would be hard ass.

ast the makers of *Eclipse* r-director Simon Perry oducer David Munro— o have had something n their cinematic minds quick return at the box What that something is, nately, does not quite nicate itself to the audi- n a lonely house on a :pt Scottish coast a young Gay Hamilton) lives, and reach an understanding r late husband's brother onti). The latter may or t have been responsible husband's death (in a ; "accident"): the wife may not be falling in h the brother. The gin language flow freely in ty Christmas they share e woman's ten-year-old t the may-or-may-nots of ot finally prove too is for the film's own ther than sustaining our ;, the film's endless supply of riddles simply overloads it.

Pleasure at Her Majesty's is a jocund, entertaining 100 minutes, let down at the last by the incompatibility between its ambitions and its running time. How to condense into a feature-length documentary an anthology of the best sketches from the revue, as well as a picture of the rehearsals, the backstage meetings and the dressing-room camaraderie that led up to that immortally named stage show *A Poke In The Eye (With A Sharp Stick)*? Here are the *Beyond The Fringe* foursome, the Monty Python team, the Goodies and all the rest of that holy alliance of University wits that took British comedy by storm in the 1960s and early '70s. But, alas, the film vacillates too long and too confusedly between trying to give us the tousled, stage-worn reality of the people behind the show (John Bird confessing sheepishly that he hasn't prepared his material: Alan Bennett slumped lugubriously in an armchair telling everyone how unfunny he feels) and offering us mouth-watering glimpses of the show itself. The show, in fact, steals the film: and one ends up tetchily begrudging every inroad that dour offstage reality makes into delirious onstage fantasy.

The proudest manifestation of British film-making is currently to be found at the Hayward Gallery. Whether you like experimental cinema or loathe it—and you would have to be a determined aesthetic stick-in-the-mud to loathe it all—it is at least an area in which Britain does not lag mulishly behind other countries. The Arts Council has funded a mammoth retrospective of British Avant-Garde Cinema at the Hayward Gallery, which lasts until the end of April. Shows are thrice daily at 1, 3 and 6.

Meanwhile, treasures beyond price are being unearthed week by week in London's independent cinemas. For the cinephile, there can never have been such golden days as these, with more club cinemas to the square mile in London than ever before, each vying with the others in spreading their newly excavated riches before us.

Next week The Other Cinema revives Marco Bellochio's five-year-old *In the Name of the Father*. Bellochio's film is in the church-bashing tradition of Italian cinema. It tells the story of an all-male Jesuit seminary, the simmering anti-authoritarianism of whose pupils is brought to the boil by the arrival of a lordly, rebellious youth named Angelo Transeunti (Yves Beneyton). Coolly co-ordinating the mutinous impulses of his comrades, and forming a judicious alliance with the school's equally discontented domestic staff, he succeeds finally in reducing his superiors to a vanquished and humiliated impotence.

The twist in the film's Mephistophelian tail is that Angelo proves no "angel" at all: using the overthrow of the old tyranny merely as a power base for his own brand of neo-Fascist leadership. The film is shot by Bellochio as a weird and wonderful cross between horror movie and *opéra bouffe*: alternating manically funny scenes of religious pedantry and dogma (there is a particularly cherishable sermon on masturbation) with passages of pure Grand Guignol, like the Frankenstein playlet the hero and his cronies stage one night as a *Hamlet*-like challenge to the guilty powers-that-be. The agnostic questions the film asks have a vivid pertinence to Christianity as a whole, not just to its fanatical fringe. ("Is it right?" one boy querulously asks, "to spend one's whole life preparing only for death?") But the film never pretends that there is any guarantee, when one form of moral despotism has been overthrown, that it may not be speedily replaced by another.

Carl Dreyer's sublime *Ordet*, made in 1954, gives us Christianity with a human face. But it is at one with Bellochio's film at least in its conviction that no religion can survive without a central, purifying core of human love.

Dreyer's film is adapted from a Danish play of the 1930s and, like his majestic last film *Gertrud* (1964), it both invites and effectively parries accusations of "staginess." Apart from a couple of windswept sorties into the surrounding sand dunes, the camera spends its entire time indoors. But it is seldom absolutely still: prowling up and down the long, dimly-lit parlour of the family home where three contrasting generations make up the film's *dramatis personae*: the grey-beard grandfather, his three sons (one a crazed religious zealot who believes he is Christ reincarnate), and his two grand-daughters. And there is the pregnant daughter-in-law whose tragedy—or near-tragedy—powers the film's story. When she falls ill during childbirth and dies, it seems that only a miracle can restore the family to its former happiness. But given the right chemistry of faith, hope and human love, Dreyer suggests, miracles may still happen. . . .

Another resurrection: Buster Keaton's *The Cameraman* was made in 1928 and has never before had a public run in this country. Like the recently revived *Spite Marriage*, it was made in the twilight years of Keaton's career, after his ill-fated move to MGM, and it suffers from a similarly fitful inventiveness. Keaton plays a movie photographer working for a busy, big city news agency, and the film ties in the statutory quota of slapstick set-pieces with an equally statutory "will-he-won't-he-win-the-girl?" sub-plot. Despite good moments, there is a sense of strain about the film that puts it in a different, more careworn, class than the work of Keaton's heyday.

Finally, make sure you see *Film Portrait*, showing at the ICA as part of a season of films with an autobiographical theme. This is a self-portrait by 70-year-old American film-maker Jerome Hill: an eccentric, enchanting collage of interview material, animation and old films (Hill's own), all wrapped in a far-from-cloying nostalgia and communicating an infectious, boyish delight in the tricks and sleights of artistic creation.

Coliseum

Werther

by RONALD CRICHTON

Massenet's *Werther* in the English National Opera's new production by John Copley, conducted by Charles Mackerras, designed by Stefanos Lazaridis and Michael Stennett, was given a gala premiere on Wednesday in aid of the company's Benevolent Fund, in the presence of Princess Margaret. In spite of a decent production at Sadler's Wells and a sensitive staging at Glyndebourne, *Werther*, by common consent one of the two most successful operas in Massenet's large tally, has failed so far to capture the British public.

The reason can hardly be that the Frenchness is too idiomatic for export. The brand of romanticism with which *Werther* is concerned was crystallised by Goethe in the book on which the opera is based. Massenet's *Werther* took out Italian nationalisation papers at an early stage. The first performance took place in Vienna. Charlotte was a favourite role of Lotte Lehmann, not a singer normally much involved with the French repertory; in our own day Christa Ludwig is an admired interpreter. Yet although England gave so much to the Romantic movement, there is something about this example, about the contrast between serene, provincial domesticity (Charlotte cutting bread and butter for her younger, motherless brothers and sisters) and the transports of Werther's passion for her, something as well about the harping on suicide, that stuck, or at any rate used to stick, in English gullets.

Attitudes have changed, to family life, to what used to be known as "infidelity," and moreover to Massenet's music. He has been taken up by the opera buffs and the gramophone companies with an enthusiasm which threatens to become almost as excessive as the puritan zeal with which he was formerly damned. The soil is ready, while if ever there was a *Werther* with a chance of taking root in the British repertory, it is this one—admirably conducted, produced with the best side of Copley's gift for detail, not the abundance of picturesque touches but a detailed, understanding exploration of the principal characters. What is more, those characters are given performances of great excellence by Janet Baker as Charlotte and John Brecknock as Werther.

The first two acts are not yet quite right. Charlotte's entrance, and the children, are charming. About Mr. Brecknock's singing there is a frank, open quality enjoyable in itself yet not obviously suitable for the introspective, sorrowing young man—he is forced to register despair rather too suddenly in the second act. Over the musical side generally there still hangs something which won't banish the *ancient but obstinately definitive* French complete recording with Vallin and Thill. Mr. Lazaridis's set, for the square outside the church, though pretty enough, is too obviously an adaptation of the first-act garden.

Then comes the much and rightly admired third Act in the house of Albert, blameless husband of Charlotte, aware of Werther's infatuation but unaware that it has not only continued but increased in intensity. Herr Massenet's musical invention, more usually admired not so much for its own sake as for the economical and theatrically opposite use to which he puts it, smoulders into a succession of monologues and duologues which surprise every time by their musical excellence as well as their fitness. Now Dame Janet, who has so far prudently kept something back as any wise Charlotte must, allows her voice full and gloriously grief-laden play (but why such muffled words when she is reading out Werther's letters?), Mr. Brecknock as he looks more and more woebegone magically contrives to shed his years and become a hollow-eyed stripling. Mr. Copley places them both with unerring rightness, moulding them without a trace of self-consciousness into a series of poses recalling engravings of the period.

The third and fourth acts, with the linking orchestral interlude, are played straight through. There is no ideal solution: whatever producer and conductor decide to do, the musical decline after act 3 can't be disguised. Yet the interlude, which is pretty thin stuff, has never in my experience sounded better, while Mr. Mackerras and the excellent ENO orchestra find more interest in the protracted agonies of act 4 than normally emerge—on stage the vocal parts are still secure in the throats of this Charlotte and Werther, though the former *really ought to shut the door* when she comes in and not complicate Werther's last moments with wintry draughts.

Husband Albert is so sympathetically drawn by Patrick Wheatley that the dice would be unfairly loaded against any Werther less likeable than Mr. Brecknock and any Charlotte less lovable than Dame Janet. As Sophie, Charlotte's younger sister, whose scene in act 3 when she half-understandingly tries to comfort Charlotte is one of the best things in the opera, Joy Roberts found her form at that precise moment. Up to then the tone was slightly fluffy. Harold Blackburn sings the girl's widowed father. Terry Jenkins and John Tomlinson are Schmidt and Johann, the town topers. The lighting by Robert Bryan is first rate. Michael Stennett's good costumes have only one doubtful feature, a Sunday-best hat for Charlotte provoking irreverent thoughts that someone (the Master of the Queen's Musick?) should compose an *Importance of Being Earnest* with Janet Baker as Lady Bracknell.

Radio 3

BBC Symphony

by DAVID MURRAY

The broadcast of *St. Thomas Wake*, Peter Maxwell Davies' "Foxtrot for Orchestra," from Festival Hall on Wednesday night, confirmed the potent impression originally made by the piece. It is "music theatre" if ever there was such a thing: the idea for the work, the initial *donnée*, is strong enough to have survived less sophisticated treatment than Davies has given it. A small foxtrot band plays 1930-ish dance numbers, relentlessly bright, routined and snappy, impervious to the rising menace of the orchestra behind it. The traffic between the groups is one-way—though the orchestral commentary develops through wild distortions of the foxtrots, no recognising echo comes from the little band, which natters inconsequently to the very end.

All the music is technically (and reasonably audibly) derived from a Pavan by John Bull, but the force of that is ambiguous. About the pastiche foxtrots the composer writes of the "political and moral irresponsibility" of their time, as if popular music *ought* always to reflect social crises; but when a solo harp at last plays the original Pavan, intended perhaps as a reminder of lost integrity and innocence, it might equally be heard—who knows?—as a sign of grace, a raising of the dances to a higher power. A composer hasn't the same authority about what he has done in his music as he has about what he *intended* to do. Still, the score isn't compromised by debate about just what its subtext really is, and Sir Charles Groves conducted it with unyielding conviction. Whether all the intricacies of the handling are fully functional is another question: the BBC violins and a contrabassoon made little of some frantic phrases assigned to them, without much loss seeming to be incurred.

The concert was completed by Tippett's oratorio *A Child of Our Time*. Again there was no want of conviction in the performance, to which the solo ladies—Jill Gomez and Anne Collins—made particularly fervent contribution (Philip Langridge was perhaps not less fervent, but with more evident effort). A question-mark still hangs over the central use Tippett makes of familiar spirituals. Where Davies turns his borrowed material and idioms to new ends, Tippett wants the old songs to bring to his score just the force they have always had—consoling, assuaging, cathartic: and for this listener that is just what they lose when carefully planted in Tippett's very conscious way. It is only fair to remark that many Leipzigers who revered the grand old Lutheran chorales must equally have resented the insensitive re-workings they got at the hands of J. S. Bach.

The Entertainment Guide is on Page 38

Jeannetta Cochrane

Collaboration Four

by CLEMENT CRISP

The eternal quest for new choreography, and the search for new design ideas, are the admirable ideals that inspire the collaboration between Ballet Rambert and the theatre department of the Central School of Art and Design. This year the fourth of these enterprises will occupy the rest of the current week: it would be idle to pretend that we can expect much blazing novelty from these occasions, but the very fact of their taking place is in itself welcome. Choreographers and stage designers have to complete their education in public: nothing can replace that moment when the curtain rises and steps and *decoration are revealed to the* world.

Like those nature films in which we see tens of thousands of baby turtles born on the sands of some southern ocean and then for the most part fall victim to scavengers, the aspirations and hopes of the dance studio and the model room take their chance of survival in front of an audience.

Some must inevitably fail; if only one survives, if even a single talent can take its first tentative steps, then we can be content. It is perhaps a cruel form of trial and error, but the theatre is not a nursery, and artistic and financial necessity will blight all but the toughest and most durable talents.

Of the new Collaboration programme which I saw on Wednesday one work seemed to suggest the powrs of survival: Zoltan Imre's *The Accident*. Most of the other pieces were gently amiable, although few of them offered much inspiration to an apprentice designer. Mr. Imre's piece, however, because of a strong and sometimes shocking dramatic imagery, had a theatrical punch and a boldness of conception that argued a gift worth encouraging.

It gave a chance to its designer, Liz Ashard, to devise a clever setting: a ruined motor car still steaming hideously from a recent crash. The driver and his female companion lie beside the wreck; over them hover two black-clad figures that are, I would hazard, emissaries of death. The dance action takes the form of a nightmarish recapitulation of the crash and the intervention of the two symbolic attendants, an effect heightened by a sound collage [from Mr. Imre and Richard Crosby] which compounds fragments of broadcasts, Kathleen Ferrier singing the last of Brahms' Four Serious Songs, and the wall of sirens. The sum effect is brutal—but accidents are brutal—and theatrically vivid. By no means absolutely clear at a first viewing, the piece yet indicates Mr. Imre's ability to make a strong statement with a good deal of precision. And the evening is thus justified.

ılton

Bedroom Farce

bedrooms designed by O'Brien and Tazeena I the width of the stage, e bed in each. Stage e solid respectability of nd Delia, a middle-aged concerned about the marriage of their son nd about the wet patch iling of the spare room. a neat new suburban Malcolm and Kate, who t to give a party. Stage k and Jan in a trendy e-type room, where Nick ed to bed with a slipped n—and this is the first any connection between ree rooms—was Trevor's d before he married ı.

s no point in trying to ıe course of the action . It begins with Trevor ısannah's quarrel at s party. We see at once vor's parents are right. layed by Stephen Moore artistic uncertainty he a master of, is not a form, a lasting relation- has a pathetic desire to icate with people but is nable to, his sentences emaining unfinished, or by wavings of the arm nanner of an irresolute Pyke. Susannah is eurotic and has to keep ng herself with verbal ; to boost her self- ce. Maria Aitken, tall, d ginger, presents her ıs instability in a fine of fitful disorder, like a goldfish.

m and Kate manage ly to get their discord- ests away (though not they have ruined the Trevor, believing that o apologise to Jan, goes s flat, where as it hap- ck has fallen spectacularly out of bed reaching for his book and is marooned on the floor; Susannah seeks comfort with Ernest and Delia, who have lately returned from a disappointing dinner and are eating pilchards in bed. I have no intention of telling any more of the plot than this; I need only say that it is developed, after the apparently leisurely start that has become an Ayckbourn characteristic, with astonishing ingenuity and fertility of invention.

Farce consists very largely of humiliation, as I wrote the other day of *Bartholomew Fair*. It may mean no more than the loss of the trousers: but in *Alan Ayckbourn's hand it* means wild exaggerations of such everyday troubles as late-night telephone calls, ill-fitting greatcoats, collapsing do-it-yourself work (superbly led up to here). They are such troubles as we all know, and we laugh our heads off in acknowledgement that they are happening to others and not to ourselves.

Because the characters are all so acceptable, they are beautifully actable. Michael Gough and Joan Hickson as Ernest and Delia allow themselves no exaggeration; they are two normal old people, their minds still half in earlier, more prosperous days, who happen to be plunged into bizarre social situations. Nick (Michael Kitchen) might be an executive from *The Trouble-Shooters* or *The Brothers*: Jan (Polly Adams) is that executive's smart young wife (though I don't know why she should dress inexplicably in deep mourning). Malcolm (Derek Newark) and Kate (Susan Littler) would be any nice suburban pair if only circumstances would leave them alone.

B. A. YOUNG

Haymarket, Basingstoke

Favourites

by MICHAEL COVENEY

The "favourites" in this new comedy by Roy Boulting and Leo Marks are the showbiz family of Lennard, gathered together in Belgravia for Christmas and, subsequently, a mutual recrimination binge that would, presumably, horrify the general public were they to learn of it in the media.

"I cannot believe that so tiresomely vain or pig-headedly ignorant a family actually exists, but here they are: Philip Lennard (John Ronane) has been running a state theatre for ten years, comes from a deprived background and is, in the course of the play knighted: his wife Elizabeth (Helen Ryan) is a former, not very good, concert pianist and a current foul-mouthed alcoholic; elder daughter Joanna (Sandra Payne) is a hard-hearted nymphomaniac who has forsaken the theatre for the pop scene: and younger daughter Katie (Tessa Wyatt) is a mixed-up, well-meaning girl whose whole life has been seriously affected by a Hollywood career as a child star.

It is not very clear quite what the authors intend in their vitriolic, peevish exposition of these unfortunate and not very interesting people. Towards the end, there are a couple of strongly written scenes in which Katie confronts her parents with the nightmare life they inflicted on her: she breaks down while remembering how she would drink a bottle of sherry in the lavatory before showing her face at a party, how her professional life was made thoroughly miserable by, among other things, "fat, old men measuring her tits." About the same time, Elizabeth is spilling the beans about an abortion, her deep hatred of her husband and foul memories of Hollywood, "that tom-cat town."

The writing almost goes out of its way to rub in the dirt: one short scene is devoted to Philip's descent on New Year's Day to check in the Times that his leading actor has gone unrecognised in the list: "It's all right" he shouts upstairs, "Ronnie hasn't got one." Joanna swans around the house ignoring the pathetic attentions of her abandoned husband, Bill (Peter Wilson) who, although it makes no impact on the comedy, is an ex-boxer (perhaps something is intended in the professional muscle-man's emotional insecurity). Joanna is a real cow and reminds her kid sister that it was she who was going to be a great actress, "until you stuck your pretty little nose in at the age of eleven."

So it goes on. Even more *mysterious* is the gratuitous grafting on to the writing of a reactionary, menopausal obsession with the "filth" and "dirt" of the subsidised avant-garde. Katie is being wooed by a trendy young writer, Alan Kent (Bruce Lidington), "the critics' darling," who completely sabotages any chance of balanced representation of an argument by airily dismissing his own work as "a con." That, you feel, is exactly what the play wants that character to say, but in case we should not be clear on the point, Philip delivers himself of some bilious opinions just after the interval ("public outrage . . . Arts Council should not subsidise . . . uncouth . . . unplayable . . . etc.").

I find the play too mean-minded to build any constructive appreciation of the actor's work, but Helen Ryan certainly gets into the sub-O'Neill swing of things towards the end, swaying drunkenly about like a tree in a gale before pulling herself up short to deliver a gravelly mouthful of smutty invective. Guy Slater directs, and packed audiences might indicate that if the piece is good enough for Basingstoke, it is certainly bad enough for the West End.

Saturday mornings at the Young Vic

There are to be three Saturday morning informal happenings for children at the Young Vic.

On March 19 at 11.30 a.m., Derek Ware, film stuntman and fight arranger will speak on *The history of the duel*, with demonstrations. He is in the Young Vic production of *Romeo and Juliet*, where he arranged all the fights.

On March 26, John Ratcliff and his partner Ian Williams demonstrate how a popsong is written and recorded, and how it reaches the public. The audience will make up a song, record it and—who knows?—it may be a hit.

On April 2, local 15-year-old author Steven Downes's comedy, an adaptation of *The King's New Clothes*, will be performed. It is the first time the Young Vic has produced a play by such a young author. Denise Coffey directs, June Cannon has designed it, the Young Vic Company act it, and John Ratcliff wrote the music.

Admission is 10p and each show lasts an hour. Proceeds go to the Bill Howell Memorial Fund, which buys theatre outings for children with no access to the theatre. All three informal events are sponsored by Hornes, the menswear people.

Robert Mauthner reports on the implications of the first round of French municipal election results

The hard choice the Left's gains pose for Giscard

THE SWING to the left in the first round of the French municipal elections which has been clear-cut in the larger towns but much less evident in the rest of the country has led to the drawing of some very hasty conclusions. If one were to take at face value the chants of triumph of the Socialists and Communists and the Jeremias of many pro-Government commentators, the outcome of next year's general election would virtually be a foregone conclusion; whatever the ruling coalition did it would be heading for defeat.

This judgment is based mainly on the progress made by the Left in all local, parliamentary, and presidential elections since the last municipal elections in 1971. But if this progress is undeniable, it is equally clear that, on the evidence of the first round of the municipal elections, the division of France into two almost equal political halves has been modified only marginally. Last Sunday's poll has done litle to change a situation in which a few hundred thousand votes can make all the difference between victory and defeat.

M. François Mitterand, the Socialist leader, who polled more than 49 per cent. of the popular vote in the 1974 presidential election, was defeated by M. Valery Giscard d'Estaing by only some 300,000 votes. One of the basic questions therefore is whether the Union of the Left has at last broken through the fateful barrier of 50 per cent. of the popular vote and, even if it has, whether it has done so by a sufficient margin to win a majority of the seats in the National Assembly next year. Support for the Union of the Left is concentrated mainly in urban areas, it has to poll more votes per member of parliament to win that do the Government parties.

The figures that have so far been made public are open to various interpretations. If the computers used by all the television channels on election night are to be believed, the United Left polled more than 51 per cent. of the national vote, while the Government parties won about 47 per cent. But the Ministry of the Interior subsequently published official figures which were based on a more sophisticated, though some would say more Machiavellian, analysis of the results.

Everyone knows that the Minister of the Interior, M. Michel Poniatowski, is not exactly a disinterested party; he is the leader of the Independent Republican Party, the second biggest member of the coalition, and President Giscard d'Estaing's closest confidant. Yet the Ministry's statistics clearly cannot be entirely ignored, as many commentators seem to have done.

According to these figures, the United Left polled 42.7 per cent. of the votes, compared with 35.9 per cent. in the 1971 municipal elections: the ruling coalition 48.6 per cent. compared with 44.9 per cent. in 1971, and various opposition Left-wing groups that do not subscribe to the Socialist-Communist common programme, 8.2 per cent. It is a matter of judgment whether one adds the latter figure to the votes for the United Left, which would, indeed, bring it up to the TV computers' 51 per cent. The least that can be said is that a reasonable amount of doubt remains as to how the 8.2 per cent. would vote in a general election.

M. Chirac will not hesitate to strike a hard bargain, and could well become the arbiter of the Government's policies, and certainly of its electoral strategy.

More important, even a vote of 51 per cent. in a municipal election, however politically polarised, as it was this time, does not necessarily mean that the Left can do as well in a general election when the country will be faced with a clear choice between a continuation of the present liberal capitalist system, and a Socialist society, in the building of which the Communists will have a great say.

If the national voting figures are by no means a conclusive pointer to the likely outcome of next spring's general election, there plainly are many aspects to the results of the first round of the municipal elections which should give President Giscard d'Estaing and his supporters serious cause for concern. To have unseated the ruling coalition in 33 towns of more than 30,000 inhabitants, with the prospect of increasing this figure to 50 in the run-off on Sunday, must be considered a major achievement of the Left. It is a striking demonstration that the United Left has maintained its momentum, and that the Socialist - Communist alliance based on a common programme has paid off.

Those who have always maintained that, when it came to the crunch, many potential Socialist voters would be deterred from voting for the United Left because of the participation of the Communists must be feeling much less sure of their ground now. Not only has the Socialist Party confirmed its position as the most powerful single political group in the country—it won two-thirds of the towns lost by the ruling coalition and made big inroads in the traditionally conservative West—but the Communists have also improved their standing. They ousted incumbent mayors supporting the Government in nine large towns and increased the number of their councillors from 4.3 per cent. to 6 per cent. of the total.

The Left, of course, cannot claim all the credit for the showing it made last Sunday. It was greatly helped on its way by the divisions in the government camp, which have been endemic ever since M. Giscard d'Estaing's election as President in May, 1974. The President himself must be held largely responsible, since it has taken him an unconscionably long time to realise that he could not reduce to impotence the Gaullists, still the largest group in the National Assembly. Warning bells have been ringing ever since M. Jacques Chirac resigned as Prime Minister last August, after a bitter dispute with the President about the Premier's powers as co-ordinator of the coalition parties, and the Government's whole electoral strategy. The subsequent triumphal election of M. Chirac, as the leader of a revamped Gaullist party, the Rassemblement pour la république, was indication enough that the former Prime Minister intended not only to pursue his personal ambitions, but was firmly resolved to preserve the Gaullists as a major, if not the major political force in the country.

The coalition parties have closed ranks in an effort to stem the tide in favour of the Left: both in the country at large and in Paris. Only the leading Government lists, with few exceptions, will go forward to the run-off on Sunday. But it is still doubtful whether this precarious unity can be maintained in the longer run.

Only by maintaining a united front could the coalition hope to reverse the present trend in favour of the Left at the general election. But M. Chirac, after his probable success in Paris, will not hesitate to strike a hard bargain, and could well become the arbiter of the Government's policies, and certainly of its electoral strategy.

He holds a number of strong cards. As leader of the biggest parliamentary group, he has the power of life or death over all Government legislation. Already there have been renewed rumblings that the Gaullists will take a tough line on parliamentary ratification of the legislation providing for direct elections to the European parliament.

President Giscard d'Estaing is, therefore, in an extremely uncomfortable position. To conserve the Government's chances of beating the Left he has to make concessions to the Gaullists. In doing so, he will help M. Chirac to emerge as one on the most powerful figures in the land, and strengthen his prospects of becoming the next president of France in 1981. The key to the outcome of the next general election lies in the manner and speed with which this dilemma is solved.

Major Carvalho to face Portuguese discipline board

BY DIANA SMITH — LISBON, March 17.

THE EBULLIENT Major Otelo Saraiva de Carvalho, runner-up in last year's Portuguese Presidential Election, is to face disciplining. The Major was head of the Copcon security command when it wielded considerable power in the heyday of the 1974-75 revolution.

General Vasco Rocha Vieira, Army Chief of Staff, yesterday sent documents containing serious accusations against Major Saraiva de Carvalho and 32 other army officers to the Supreme Military Disciplinary Board. The cases should come up for hearing at the end of April.

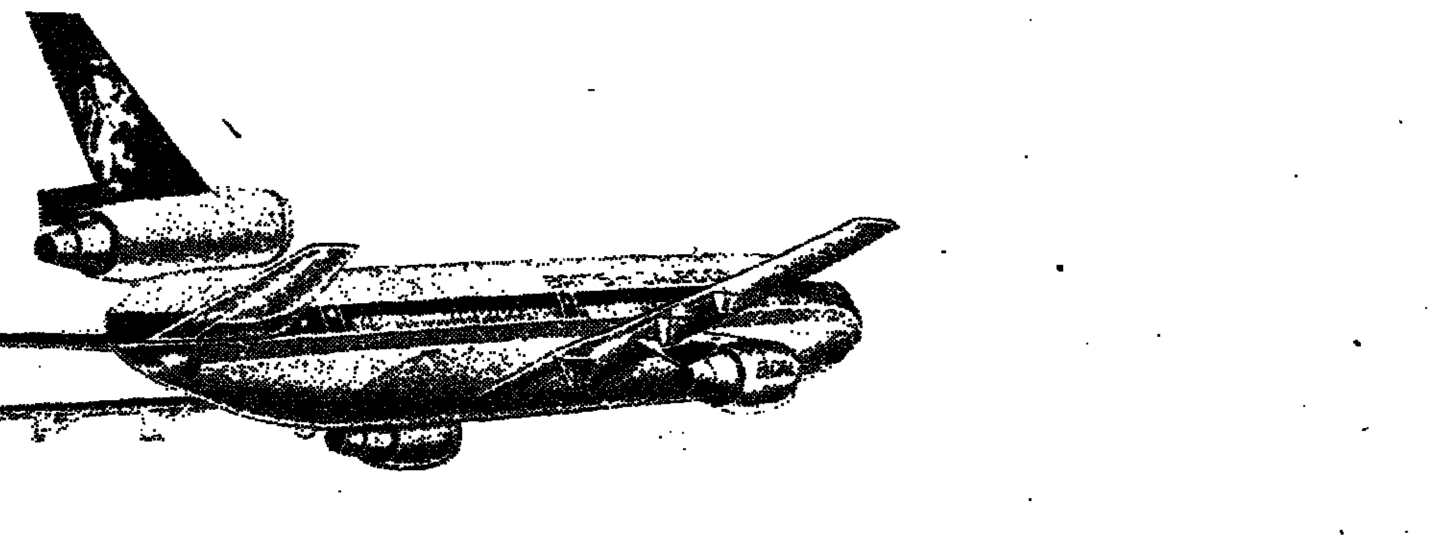
Many prominent army figures involved in the turbulent year and a half following the 1974 military coup now face the threat of expulsion from the Army. They include Major (formerly Brigadier) Eurico Corvacho, pro-Communist Commander of the Northern Military Region in 1975 and Captain Dinis de Almeida, ultra-Left leaning second in command of the Lisbon Artillery Regiment who played a key part in the radical Left military and civilian uprising of November 25, 1975.

The uprising was crushed by forces supervised by the current President of the Republic General Antonio Ramalho Eanes. Aides of former Prime Minister Vasco Goncalves, who tolerated Communist and ultra-left activities in 1974 and 1975, are also included among the 33 officers, as are former commanders of the Military Police, against whom accusations of maltreating prisoners held in military police barracks were made in a report issued late last year.

This report, together with a detailed account published some months ago of the events leading up to November 25 troubles, form the basis for the decision to discipline the 33 officers, who are also accused, generally, of indiscipline and unethical practices.

These reports criticised Major Carvalho, in his capacity as head of Copcon and of the Lisbon Military Region until November 25, 1975, for allowing unethical acts to be committed by units or individuals under his command. He was arrested and detained in early 1976 for his part, direct or indirect, in the 1975 unheavals, and since then has been on bail awaiting formal proceedings.

General Rocha Vieira said yesterday that the 33 officers would have every opportunity to give an explanation of their actions, and to defend themselves.



Gibraltar considers curbs on banks and insurance

BY JOSEPH GARCIA — GIBRALTAR, March 17.

THE GIBRALTAR Government is seriously considering curbs on bank profits and insurance premiums. In a budget speech to-day Chief Minister, Sir Joshua Hassan, spoke of "the possible imposition of some reasonable degree of control over the repatriation of bank profits and insurance premiums." Pointing to the requirement in many countries that insurance companies retain for local investment some proportion of the premium income which they collect.

Barclays International is the biggest bank here, and British insurance is a prominent feature of local business.

The Government, which receives British development aid in the region of £2.5m. annually, will shortly be finalising the broad content of the next development programme which will be the subject of discussions with the British Government.

Referring to the prospect of economic co-operation with neighbouring Spain, Sir Joshua said Gibraltar would welcome an improvement in relations but not at the expense of giving up the continued British connection and the support and presence of Britain in Gibraltar to which the "utmost importance" i[s] attached.

After many years of propound[ing] reconciliation, Sir Joshu[a] who is generally described as [a] moderate on the Gibraltar issu[e] with Spain, has recently bee[n] hardening his Spanish stance u[n]doubtedly due to the realisatio[n] that his conciliatory attitude h[as] not produced a real easing of t[he] Spanish restrictions includin[g] the frontier closure. Despite this, Gibraltar has not only maintained living standards but has increased properity.

At a time when tourims is declining, the importance of British defence spending—the major source of export earning[s] —is being stressed. The stat[e] of the British economy and th[e] substantial cuts in public spen[d]ing are matters of great concer[n] here, as the local economy [is] closely linked to the British o[ne].

Revenue-raising measures [to] be introduced will affect ele[c]tricity, water and telephone ser[]vices, as well as tonnage an[d] berthing charges which will be increased in April. Othe[r] measures are still to b[e] announced.

Spanish amnesty widened

MADRID, March 17.

THE NEW provisions of King Juan Carlos' amnesty for political prisoners took effect to-day, paving the way for the expected release by Easter of most of the remaining 170 prisoners.

Releases are expected to begin next week although some legal circles quoted in the Press said red tape could delay the start of the releases by 15 days.

Some 98 of the remaining political prisoners are Basques and demonstrations for a "total amnesty" have agitated the Basque region for two weeks.

In another move aimed at pacifying the Basques, the Official Gazette to-day published a decree giving them back some of the autonomy that the region enjoyed before the Franco regime.

The decree restores general juntas—local councils—in Gui[]puzcoa and Vizcaya provinces a[s] an "expression of the desire o[f] the Crown to achieve full par[]ticipation of the peoples o[f] Spain."

The widening of last July['s] amnesty was decided six days ag[o] by the Government, but the de[]cree only came into force to-da[y] with its publication in th[e] Gazette.

In a third decree, the Gove[rn]ment decided to set up a Gene[ral] Council of Catalonia to work o[n] a statute aimed at giving th[e] restive, industrialised region around Barcelona a degree of autonomy. The statute has to be approved by the Cortes (Parliament). The council would be composed of Catalan Senators and Deputies chosen in general elections scheduled for June.

Agencies

Swiss industrial production steady

BY JOHN WICKS — ZURICH, March 17.

INDUSTRIAL production in Switzerland last year equalled 1975, according to figures just issued by the Government. The production index on an average of the four quarters remained at 139 points (1963 equals 100).

By the final quarter, the index had reached 151, some 4 per cent. below the corresponding period of 1975. The drop was to a large extent due to a 28 per cent. decline in manufacturing activity by the important machine - building industry. Among other major industrial sectors, chemical output was up 16 per cent. compared with the fourth quarter of 1975, textile production by 13 per cent. and that of the metal industry by 12 per cent.

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EEC Commission plan for aid to poorest areas

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT BRUSSELS, March 17.

THE EUROPEAN Commission has recommended that aid from the EEC's social fund, aimed at relieving unemployment and under-employment through vocational training grants, should be concentrated more heavily on the Community's poorest regions.

This was disclosed to-day by the Commissioner responsible social affairs, Mr. Henk Vredeling. The recommendation is the main feature of a package of proposals for reforming the fund which the Commission has *sent to the Council of Ministers* of the Nine, which must decide in the coming months whether to approve them.

Specifically, the Commission calls on the Council to designate a limited number of poorer regions as priority areas for social fund aid. Mr. Vredeling said that Northern Ireland and the Irish Republic would almost certainly be included in this new category, though it remains to be seen how other areas of the British Isles would be treated.

The Commission proposes that the fund be permitted to contribute up to 65 per cent. of the cost of aid programmes in the planned priority regions, instead of the present overall 50 per *cent. ceiling. The balance of* the cost is covered by payments made directly by national Governments of the Nine.

It is also envisaged that a higher proportion of the fund's resources should be spent on so-called Article 4 programmes, covering regional unemployment in industries like textiles and agriculture which are directly affected by EEC policies and less on its programmes for tackling structural unemployment. At present, at least half the fund's spending must be on the second category of programmes.

In addition, the Commission proposes an administrative overhaul to require applications for aid to individual sectors to be *grouped together and to permit* the social fund to grant advances as soon as programmes have got under way.

Refining capacity cut proposed

BRUSSELS, March 17.

A 16.5 per cent. reduction in the EEC's oil refining capacity of about 850m. metric tons is being suggested by the European Commission in order to maintain the refinery industry's profitability.

The Commission feels, a spokesman said to-day, that grave problems are facing the industry because of an abnormally low capacity utilisation which is greatly endangering profitability.

On the basis of the Commission's broad ideas on how to cope with the problem, the Nine member States will be requested to *authorise* the Commission to draft proposals for a Community solution, the spokesman said.

He said Commission experts believe there is surplus refining capacity of about 140m. tons which may have to be closed. This objective could be achieved by completely halting construction of new capacity and by closing temporarily, or definitely, marginal installations and/or those that are less efficient.

The EEC refinery industry's current *problem* has both internal and external reasons, the Commission said. Existing Community overcapacity results mainly from reduced consumption of refined petroleum products. Increased demand for petrol had resulted in an imbalance in the refining structure and new competition has arisen from the creation of refining capacity in the oil-producing countries, especially in the Mediterranean area and the Middle East.

The Commission recognises that the problems are primarily for the industry to tackle but adds that governments could help by creating the necessary social, fiscal and administrative pre-conditions. This all should be done under Commission surveillance.

The EEC Energy Committee, in which all interested parties are represented, would annually review the situation.

The structural imbalance in demand, with emphasis on light products, may require creation of additional petrol refining capacity in the range of 8m.-12m. tons annually at costs of some \$2bn.-\$3bn., the Commission said. In order to meet new competition, it suggests a better surveillance and information exchange on imports of such products.

If necessary, the Commission said, "commercial policy" measures may have to be applied. The spokesman explained that this meant application of anti-dumping regulations if this were justified, other safeguards, and possible temporary import restrictions. But the principle of maintaining an open EEC market should be the guideline for any Community measures.

AP-DJ

Dutch protest on summit

BY MICHAEL VAN OS AMSTERDAM, March 17.

THE DUTCH Foreign Minister, Mr. Max van der Stoel, to-day attacked the possibility of the EEC's not being represented at the economic summit in London next May as a "serious erosion of the EEC and of internal solidarity."

Speaking in Parliament he said: "The fact that the U.S. takes a more positive view of EEC participation at the economic summit than France puts the Community's credibility at stake."

Mr. Van der Stoel stressed that the Dutch Government solidly backed Finance Minister Willem Duisenberg's warning in Brussels this week that Holland may be forced to restrict its participation in future international loans to other EEC members if the Community is not represented at the summit.

Parliament approved by an overwhelming majority a motion that EEC participation should be put at the top of the agenda at the next Council meeting in Rome. The motion warns that if this were not done, then "there may be no point in discussing the remaining points on the agenda."

Thanks to its natural gas riches, Holland is now the only EEC country besides West Germany with a payments surplus and the country has been pressing ever since the Rambouillet conference for its own, and the EEC's voice to be heard in international economic matters. To-day's motion from Parliament further warned that if the controversy is not solved satisfactorily Holland may review the need for the European Community to participate jointly in the North-South dialogue.

Romanian drive to house quake homeless

ROMANIA said yesterday that it plans to build 5,000 flats in the capital and another 10,000 in the provinces to accommodate the victims of the March 4 earthquake that killed more than 1,540 people, UPI reports from Bucharest.

Another 11,300 persons were injured and an estimated 80,000 left homeless when the quake devastated the capital and nine counties. Special teams of experts have marked those houses which cannot be repaired and prepared them for demolition, the official news agency Agerpres said.

It added that 5,000 flats will be built in Bucharest in order to meet the requirements of some of the homeless, half of them to be completed this year. Another 10,000 flats are to be built in the towns of Ploesti, Craiova, Alexandria and Tirgoviste in the next two years. A further 10,000 dwellings are to be constructed in a number of devastated villages, Agerpres said.

Turkish-Dutch pact

An agreement between Turkey and the Netherlands to co-operate on projects to create jobs was published in Ankara yesterday, Metin Munir writes from there. Signed in Ankara last November, the agreement is designed to attract to Turkey the savings of Turkish workers abroad and to try and alleviate the employment problem in Turkey. The agreement follows a similar agreement already in operation between Turkey and West Germany.

Soviet troops plan

A Soviet spokesman suggested yesterday a freeze of the strength of armed forces in Central Europe, in an effort to make progress at the East-West negotiations on troop cuts, UPI reports from Vienna. He made the proposal, which has been suggested by the Warsaw Pact before, at the 130th plenary session of the East-West negotiations on reducing armed forces in Central Europe which began here in October, 1973.

Yugoslav uranium

Yugoslavia is balking at U.S. demands for it to comply with nuclear safeguards and to return to the U.S. spent uranium fuel from an atomic power plant to be built by a U.S. company, Yugoslav sources said yesterday, UPI reports from Belgrade. Shipments of materials from the U.S. for completion of the plant have been held up by Washington pending resolution of the issue, the sources said.

Poehl reaffirms Bonn's policy on aiding world economic growth

BY NICHOLAS COLCHESTER BONN, March 17.

WEST GERMANY maintains that it can make more of a contribution to world economic growth by participating in the funding of deficit countries than by doing still more to reflate its its own economy, Karl Otto Poehl, Secretary of State at the Finance Ministry, reaffirmed to-day.

He claimed that he had "barely discussed" the question of West German reflation on his recent trip to Washington. "West Germany is already expecting 5 per cent. growth this year," he explained. "The margin for still more real growth is very small—perhaps half a per cent. It is not worth entering into a great discussion at the economic summit for the sake of this. There are other problems to talk about which are much more important."

Herr Karl Otto Poehl

Herr Poehl stressed that Germany laid great store by the International Monetary Fund as the best mechanism for channelling finance to deficit countries. Indeed, he intimated that more important decisions could be taken at the IMF interim committee meeting at the end of April than during the economic summit in May.

The first subject for discussion by the interim committee was a possible new IMF loan-making facility, aimed specifically at the increasing cash needs of the less-industrialised countries, Herr Poehl explained. The idea had been raised by Mr. Johannes Witteveen, Managing Director of of the IMF, and Herr Poehl confirmed that Bonn was enthusiastic about it and would be in favour of a "considerable contribution." He made it clear that a key question over the future of this idea was whether the oil-producing countries would also support it.

The second topic — also concerning a strengthening of the IMF — was a possible raising of the IMF quotas. Herr Poehl said that it was now the common attitude of the EEC Currency Committee that these quotas should be raised. Whose quotas would go up, and by how much, remained unsettled, but Herr Poehl said that he personally thought that the quotas of creditor countries, with strong currencies, would have to be raised over-proportionately.

On the question of raw material and commodity pricing — an important topic for the summit — Herr Poehl said that the position of the major industrialised countries, with the exception of France, was coming broadly together.

There was now a positive approach to the idea of individual commodity price agreements, and Herr Poehl went further in suggesting that the buffer stocks for individual commodities might be pooled as an approximation to a common fund. This last remark left the impression that — in line with the U.S. — West Germany's resistance to the idea of a common fund is softening.

Holland aid for new ships

BY OUR OWN CORRESPONDENT AMSTERDAM, March 17.

HOLLAND'S LARGEST shipping company, NSU, said to-day it had placed orders for four cargo ships, at an estimateed total cost of Fls.200m. (nearly £50m.) with two Dutch yards, Verolme and Giessen-de Noord.

The orders comprise two roll-on roll-off vessels of about 20,000 d.w.t. each and two multi-purpose ships of 21,500 d.w.t. An option for two more multi-purpose vessels has been placed with the Giessen yard.

NSU said the ships would enter its existing services next year. If the option for the second two multi-purpose ships is converted these would enter service late in 1978, or early in 1979.

The placing of the orders with Dutch yards has been made possible by the Dutch Government's schemes to aid both shipping companies in modernising their fleet and to maintain activity at the troubled shipyards pending drastic reorganisation and reduction of jobs.

In Rotterdam, Incotrans, the Dutch subsidiary of the Swedish Broströem group, said it had signed a *definite* contract with Rijn-Schelde-Verolme for the construction of two 24,000 d.w.t. container ships also worth about Fls.200m (including containers). They will be introduced on transatlantic service in September and December 1978 respectively. This order, too, has been made possible with state aid which means that the two ships will sail the Dutch flag and have as many Dutch crewmen as possible.

Austrian GNP rises

The Austrian gross national product last year grew by 5.2 per cent., compared to 1975, according to preliminary figures, the Austrian Institute for Economic Research said yesterday, AP-DJ reports from Vienna. Austrian economic growth was considerably above that of most other OECD countries, the report said, explaining that higher exports and new stockpiling were the strongest impulse for the 1976 recovery.

New appeal on Czech human rights

By Paul Lendvai

VIENNA, March 17.

ELEVEN former members of the Central Committee of the Czechoslovak Communist Party, including three erstwhile Praesidium members, issued a public appeal to-day in Prague to all European Communist parties, warning them that the repressive measures taken in Czechoslovakia against human rights activists harmed the interests of their parties and could not be regarded as an affair for the Czechoslovak party alone.

Reuter adds from Moscow: Soviet prosecutors to-day demanded eight-year labour camp sentences for two dissident artists, Oleg Volkov (37) and Yuli Rubakov (31), accused of printing protest slogans on Leningrad buildings last year. The artists face charges of gross damage to state property, malicious hooliganism and robbery.

U.S. Asian policy top of Fukuda-Carter agenda

BY CHARLES SMITH, FAR EAST EDITOR TOKYO, March 17.

HOW MUCH the U.S. is prepared to listen to Japanese advice about Asia, and how far Japan is prepared to align itself with whatever Asian policies the Carter administration may decide to adopt, are the two main questions to be settled at next week's Japan-U.S. summit meeting in Washington.

Mr. Takeo Fukuda, the Japanese Prime Minister, who will be having his first face-to-face meeting with President Carter, is evidently willing, if not anxious, to offer the President the benefit of his long experience of Asian problems. He is 20 years older than Mr. Carter and has been near the top of Japan's conservative political hierarchy for the past 15 years.

Mr. Fukuda wants to have a chance to help mould the President's attitudes towards the region while he still can. But there is nervousness here that Mr. Fukuda may overdo the role of elder statesman and sacrifice some of Japan's freedom of manoeuvre in Asian affairs. In the past, Japan has taken pains to avoid total alignment with American policies towards Asia while remaining Washington's principal ally in the region.

The crucial regional issue to be discussed at the Fukuda-Carter talks will be Korean security and the implications of the President's announced plan for a gradual pull-out of U.S. ground troops from South Korea. Japan is officially treating the troop withdrawal issue as a matter for bilateral talks between Washington and Seoul but is unofficially admitting to serious concern about it.

Mr. Carter may be hoping to trade on Japanese interest in Korea by getting Mr Fukuda to agree to a substantially increased Japanese aid programme to the Park regime there but he is likely to find Mr. Fukuda reticent about this.

The problem is not that Japan is short of money but that participation in an American programme to support the South would block its chances of conducting an independent Korean policy. Japan sees its interest in Korea as to preserve the status quo while moving gradually towards normal working (if not diplomatic) relationships with both Koreas.

The next most sensitive Asian issue after Korea could prove to be the normalisation of U.S.-China relations and the effect this may have on Taiwan. Japan, which normalised its own relations with China four-and-a-half years ago but managed to retain strong unofficial ties with Taiwan, provides a model for a new American policy towards China. This does not stop the Japanese being worried about a too rapid American push for normalisation and the possible undermining of Taiwan's security and economic prosperity.

Japan's fears on this issue were spelt out with surprising frankness by the then Japanese Foreign Minister, Mr. Kiichi Miyazawa, at a meeting in Tokyo last summer with Senator Mike Mansfield. Mr. Fukuda will be less frank than Mr. Miyazawa on this matter, if only because he has more reason not to wish to offend China. However, he may still try to convey the message that the U.S should move slower rather than faster on the China issue.

Another major summit topic will be the world recession and the much publicised role of Japan as an "engine" of economic recovery. Mr. Carter will probably avoid going into details on bilateral issues such as the record 1976 imbalance on U.S.-Japan trade but will stress the importance in global terms of a rapid Japanese economic recovery. Mr. Fukuda is likely to take his stand on official forecasts for Japan's economic performance in 1977 which indicate a 6.7 per cent. growth rate and a reduced trade surplus.

First union contract at GM Louisiana factory

BY STEWART FLEMING NEW YORK, March 17.

IN THE wake of an agreement with General Motors aimed at facilitating unionisation of the company's plants in the south of the U.S., workers at a GM factory in Monroe, Louisiana, have just ratified their first union contract.

The agreement is another significant victory for U.S. trade unions who this year are increasing their pressure to recruit members in the rapidly-expanding economy of the south and south west.

In its wage contract negotiations with the car industry last year, the United Auto Workers (UAW) union fought hard to secure a "hands off" agreement with the motor industry. Under the terms of the agreement, the motor companies agreed not to actively resist attempts by union officials to organise in the company's southern plants. The UAW had claimed that the motor companies were fostering opposition to union membership.

Historically, union membership has been thin in the south of the country. While this did not concern the well-established trade unions too greatly decades ago (when the major industries were concentrated in the mid-west and northeast of the country) it has become a prime concern in recent years.

Increasingly, industry has been establishing new plants in these areas—partly because it has been able to enjoy lower wage costs. Thus in the GM plant in Monroe, until the new agreement, the average production worker was paid $5.50 an hour which will now increase to around $7.50, comparable with the rates paid in Detroit.

For the unions the drift of industry to the south has presented a duel threat. It has reduced employment opportunities in the traditional industrial centres where their members live and has also threatened to weaken the union's historically powerful position in the industry.

But while the UAW is making some progress in unionising southern plants of General Motors, and has negotiated "hands off" agreements with other companies, including American Motors and agricultural equipment manufacturer Deere and Co., resistance to unionisation in the south remains strong. Industry fears that as union membership spreads and wage rates rise, the south may become that much less attractive to new ventures.

A key to future trends in the region is seen to be the textile industry where opposition to the Amalgamated Clothing and Textile Workers union's attempts to recruit members have been fiercely opposed, especially in the plants of the leading textile industry company, J. P. Stevens and Co.

Mr. George Meany, president of the AFL-CIO, the body roughly equivalent to the British TUC, has pledged labour's support for the textile union, which has mounted a national boycott of Stevens' products. Since 1963, when the drive to unionise the company began J. P. Stevens has been fined $1.3m. for labour law violations.

A hit for the Jimmy Carter road show

By Jurek Martin

WASHINTON, March 17.

THE JIMMY CARTER Travelling and Talking Road Show was rapturously received in Clinton, Massachusetts, last night.

The President's one-night stand at Clinton's town meeting was part of his policy of staying as close to the people as possible.

He stood alone on the stage of the small community's Town Hall, fielded with some deftness 18 questions from loyal residents, and reinvoked the spirit of his election campaign with eulogies on love and trust and on Governments being no better than the incomparable people of America.

He did not break any new ground in his responses, which were more noteworthy on this occasion for their style than their substance. He did refer, without elaboration, to the need to provide "a homeland for the Palestinian refugees" as one of the three prerequisites for lasting peace in the Middle East, together with recognition of Israel's right to exist and the establishment of "permanent" borders.

He also vaguely hinted that Congress might be asked to initiate legislation designed to stop federal funding of abortions, but stressed that he would abide by the law of the land on abortion as it stands.

There was also a reference to the need to speak out on human rights all over the globe, including, he said, Northern Ireland. However, this remark seemed largely to have been offered because his questioner on human rights was an Irish Catholic priest who welcomed him in Gaelic.

He agreed with a questioner who contended that the courts were playing too large a role in public policy, and said this could be avoided by greater consultation between the Government, the Congress and the people, and by the appointment of judges on the basis of merit, not politics. To demonstrate that he, too, is an average man, he expressed his concern at the size of the White House food bill.

It was a folksy, ingenuous performance, with strong overtones of Elmer Gantry. But no matter how much it is scorned by sophisticates in Washington, the point seems to be that it is going down hugely well in the country.

STRONGER CHALLENGE TO FOREIGN RIVALS

Canada unveils competition policy cha[nges]

BY VICTOR MACKIE OTTAW[A]

NEW COMPETITION legislation was introduced into the Canadian Commons yesterday by Consumer and Corporate Affairs Minister Anthony Abbott. It proposes major changes in Canadian competition policy to promote more "dynamic and efficient economic growth, strengthen consumer protection and reduce restrictive practices in the market-place."

The Minister said the legislation was an essential element in the long-term economic policies outlined in the Government's working paper issued last October, entitled "The Way Ahead," and aimed at moderating inflationary pressures and restoring international competitiveness.

Yesterday's legislation represents Stage Two of the new competition legislation. Stage One was approved by Parliament in 1975. It extended the law to cover services, outlawed a number of misleading and deceptive advertising and marketing practices and provided for civil review of several other marketing devices that could seriously lessen competition. The new Bill substantially expands the civil review process to encompass a number of areas involving the structure of the economy—such as mergers, specialisation agreements and certain monopolistic practices. It also reinforces the provisions prohibiting several market practices and places a new onus on federal regulatory agencies to take account of competition factors in carrying out their mandate. The Bill proposes that the existing Combines Investigation Act be renamed the Competition Act. The present four-member Restrictive Trade Practices Commission would be replaced by a Competition Board consisting of up to seven permanent and five associate members. The primary responsibility of the Board would be to undertake the civil review function provided for in the Act.

The legislation would empower the Board to determine whether major corporate mergers, specialisation agreements to rationalise production and certain monopolistic practices were justified by prospective gains in efficiency and the increased ability of particular industries to meet foreign competition, despite the effect they might have in reducing competition among domestic firms.

Similar considerations lie behind an amendment broadening the exemption from anti-combines charges before the courts for companies which join forces to promote increased Canadian exports abroad. The Minister said this new approach is based on a recognition of the fact that in certain industries the scale of production of many individual products is insufficient to enable Canadian firms to compete effectively with giant producers either in markets abroad or at home. The Bill spells out a number of specific factors the Board must take into account in reaching a judgment as to how the public interest would best be served. Board approval of mergers, specialisation agreements and monopolistic practices in the interests of industrial efficiency could be made conditional on government action to reduce trade or other barriers to competition.

The Board would also have authority to consider whether or not to sanction cases brought before it having possible anti-competitive effects which involved differentials in prices offered to different buyers, interlocking managements, the abusive exercise of patent, trade mark, copyright or industrial design rights and international arrangements between affiliated companies to limit exports or imports so as to reduce price competition.

The stage one legislation established the right of civil suit for individuals in the federal court for damages resulting from infraction of the [...] Companion provis[...] introduced to f[...] actions.

The new Bill pr[...] tion, for class a[...] the terms of th[...] representative co[...] suit on behalf [...] persons similarly [...] obtain compensati[...] suffered as a resu[...] of the Act. Th[...] be also authorised [...] tions or provide [...] relief in order to [...] rence of the loss [...] cases where the [...] the small amoun[...] individual damage [...] large size of the [...] did not warrant t[...] tive costs of a cl[...] advocate would b[...] launch a substitut[...] damages awarded [...] in such an action [...] to the federal [...] means of prevent[...] enrichment of a [...] engaged in anti-[...] abusive practices.

A new elemen[...] the Bill is th[...] imposed on all fed[...] agencies to carry [...] date in a way th[...] the least restric[...] competition cor[...] achievement of th[...]

El Salvador rejects aid

By Alan Riding

MEXICO CITY, March 17.

EL SALVADOR last night joined a growing number of Latin American nations in rejecting U.S. military aid, worth about $2.5m. per year, in protest at a State Department report on human rights violations there.

The reaction by President Arturo Molina had been anticipated following U.S. Congressional criticism of last month's elections which were won by the official candidate, General Carlos Romero, amid reports of rigging. One week after the elections, Salvadorean troops smothered opposition protests, killing between 30 and 50 youths in the centre of San Salvador.

Last week-end, an outspoken, progressive Jesuit priest, Father Rutilio Grande Garcia from Spain, was murdered by unknown gunmen near his parish church at Aguilares. During the past month, five foreign priests have been expelled from El Salvador.

Yale chief 'for London'

BY OUR OWN CORRESPONDENT WASHINGTON, March 17.

MR. KINGMAN BREWSTER, President of Yale University, has emerged as the likely next U.S. Ambassador in London, succeeding President Ford's appointee, Mrs. Anne Armstrong.

The White House merely said this morning that it planned to announce no appointments to-day, but refused to deny the rumours. Similarly, Mr. Brewster's office at Yale had no comment to make.

However, a local newspaper in New Haven, Connecticut, site of the university, reported yesterday that Mr. Brewster had agreed to take up Mr. Carter's offer and the office of Senator Ribicoff of Connecticut confirmed that the White House had contacted the Senator requesting his approval for the nomination of Mr Brewster to "a high diplomatic post." Mr. Brewster himself is currently on holiday in the Caribbean and unreachable.

His name has figured prominently in speculation about the London posting for some weeks. President of Yale since 1963, he is a known Anglophile. He shares a flat in London which he tries to visit at least once a year and four years ago used London as his base for a six-month sabbatical leave from the university.

Two years ago, he gave the Winston Churchill Memorial lecture at the annual meeting of the English Speaking Union in London and is reliably reported to have said on countless occasions that he believes London to be the last major civilised city in the Western world.

His reputation in the U.S., however, is based on a record of outspokenness on the question of civil liberties. Although not one of the original opponents of the Vietnam war, he was a prominent member of that bandwagon by 1965. He attracted considerable attention two years later at the time of the trial of Mr. Bobby Seale, the Black Panther leader, when he said that he doubted that black revolutionaries could receive fair judicial treatment in the United States.

Quebec [...] anti-infla[tion] program[me]

QUEBE[C]

THE QUEBEC G[...] invoked a section [...] Inflation Act that [...] vincial Cabinet [...] province's anti-[...] gramme.

The move follo[...] action stripping [...] Anti-Inflation Boa[rd] to reverse previo[...] contract settlem[...] public sector.

A spokesman [...] Finance Minister [...] donald said that [...] does not consider [...] to be wise beca[...] pressure on [...] bow to potent[...] wage demands.

The spokesma[n] Quebec's action [...] the private sector [...] to public employe[...]

AP-DJ

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OVERSEAS NEWS

At least five of Ethiopia's Ambassadors have defected. **Martin Dickson** reports on a country . . .

Breaking apart

:THIOPIA is at war with itself and the struggle for the remains :ould have incalculable consequences for the power balance it the Horn of Africa. Since the nilitary overthrew the feudal egime of Emperor Haile Selassie n 1974, their socialist revolution as been tearing itself apart.

There have been continual isputes over policy within the uling Marxist military council, ne Derg, and a constant struggle or power. The internecine feudng was highlighted by last ionth's killing of Brig. Gen. eferi Bante, the Head of State, nd the assumption of supreme ower by Lt.-Col. Mengistu Haile-lariam, the ill-educated son of palace maid with a reputation r ruthless intrigue and rutality.

He presides over a Government of uncertain durability. It ices mounting opposition from ght guerilla organisations and ttremely low army morale but ay hang on to power by the erce suppression of its oppoents in the capital. The most rious fighting continues to take lace in northern Eritrea, where e secessionist guerillas control ost of the countryside, but ddis Ababa itself is also now a attleground, with daily gunttles pitting Government troops id supporters against urban ierillas. One of the most alarmg developments has been the epping up of the Government's ipplying of arms to its civilian pporters in both the capital and untryside—a move which will most certainly intensify the oodletting.

In what may be a foretaste more serious internal deserons, at least five of Col. Menstu's ambassadors abroad have fected from the regime and r. Kifle Wodajo, who until last ek was the country's Foreign nister, chose exile in Liberia.

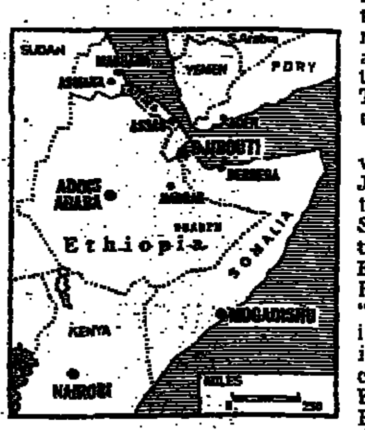
add to its problems, the gime faces hostile relations th neighbouring Sudan and malia. President Numiery of Sudan is now unequivocally pporting the Eritrean and ler northern guerilla groups ile Mogadishu has long-standambitions to unite the Somali ople of eastern Ethiopia, Djiuti and northern Kenya.

Djibouti is due to become independent from France in June d a struggle for influence over territory, coupled with the ntier dispute, could lead to a l-scale clash between Ethiopia d Somalia. However, the viet Union, Somalia's ally, is developing much closer ties h Ethiopia—witness Dr. Fidel stro's visit to both Addis aba and Mogadishu in the past days—and may exert innce to defuse the situation.

he most visible sign of incint chaos is the fighting in dis Ababa, where the underund Ethiopian People's Revolionary Party (EPRP) has been king off government officials l supporters at an ever increasrate for the past six months. ke the Derg, the EPRP is Marxist, but it differs from the regime on ideological grounds, arguing that military rule cannot be progressive and there must be a return to civilian government. The EPRP draws its support from the students and intellectuals, as to a lesser extent does its pro-government counterpart, the All-Ethiopian Socialist Movement (MASON), which argues that a temporary civilian-military alliance is necessary in the Ethiopian context.

Both MASON, which is closely linked with the Derg's intellectual power house, the civilian Politburo, and the EPRP have organised assassination squads. There are persistent reports of killings by government forces hunting down opposition elements. Particularly feared in this respect is the Flame Division, an elite counter-insurgency force created by Lt.-Col. Mengistu.

In an attempt to halt the tide



of opposition, the Derg has now armed selected members in more than 100 of Addis Ababa's 290 neighbourhood associations, which are said to be led largely by soldiers living in each locality. Weapons have also been handed out to the people's militias which have been set up in most provinces.

The possibility of the government reaching a rapprochement with the EPRP appears to have been one of the issues that lay behind last month's palace coup, when Gen. Teferi and six other leading Derg members died during or after a gunfight at the regime's headquarters. The Head of State and two junior officers who died with him, Captains Alemayehu Haile and Mogus Wolde-Michael, apparently favoured opening negotiations with the EPRP, a move opposed by Col. Mengistu.

But the major cause of the killings was almost certainly the reorganisation of the Derg last December, primarily engineered by the two captains, who were alarmed at the increasing concentration of power in Col. Mengistu's hands. The reorganisation would have increased their power and that of Gen. Teferi at Col. Mengistu's expense and would have established a more efficient command structure for the shadowy Derg, believed to consist of some 60 to 80 members.

In the event, Col. Mengistu has emerged as even more of a strongman, clearly superior to the Derg's number two, Lt. Col. Atnafu Abate, a bitter rival for the leadership. Col. Atnafu now appears to have reached an agreement with the new Head of State that he will look after the provincial administration, leaving Mengistu with unfettered control of the central government.

But there are indications that the patience of the field army with these power struggles is not inexhaustible, even though the soldiers have become Ethiopia's new elite, receiving comparatively good pay.

The troops in Eritrea, where about half of the 50,000-man army is tied down, are now totally on the defensive, with no control of the countryside outside Asmara and the other main towns according to the latest reports. Morale is extremely low and there are reports of refusals to carry out the Derg's orders. There have been minor cases of desertion.

A group of Ethiopian soldiers who fled to the Sudan in January reported that almost all the land routes in the northern Sahel region of Eritrea were in the hands of the marxist-led Eritrean People's Liberation Front (EPLF) and that the "whole population" was fighting the regime's forces. Fighting for the same secessionist cause, but in opposition to the EPLF, is the Arab-backed Eritrean Liberation Front (ELF), which claims to control most of the border area between Eritrea and the rest of Ethiopia. Refugees from the north have been streaming across the frontier into Sudan.

The great majority of Ethiopia's peasant farmers—who form 90 per cent. of the country's estimated 28m. inhabitants—are still unaffected by the various wars, but are in danger of being sucked into them. The peasant associations formed by the Government under its reform programme, are reported to be resisting control from the central administration.

Overall, however, the economy seems to be coping relatively well in view of the volatile political situation. Export earnings have been helped particularly by the soaring price of coffee. The commodity is estimated to have brought in U.S.$104.5m. in the first half of 1976—more than for the whole of any previous year.

But Ethiopia remains one of the world's poorest nations and further dislocation of the economy cannot but increase discontent. The Derg is well aware that material dissatisfaction helped create the conditions for the overthrow of the Haile Selassie regime which, for its many failings, at least provided a centripetal force that is now absent.

Fears for detainees increase

disturbing symptom of iiopia's malaise is the violan of human rights in the intry. "The Ethiopian Governnt is using terror tactics," ims Mr. Getachew Mekasha, as Ambassador to Egypt until two weeks ago one of regime's leading representas abroad. He is now seeking itical asylum in the U.S.

"There are mass arrests, kills and torture and the people ced in prisons are denied ir human rights," he says. "Bullet-riddled bodies are nd daily on the streets of lis Ababa and in ditches."

Ir. Getachew may clearly e an axe to grind against the ime, but his account, in an erview with the Financial ies, confirms other reports t human rights are being vio-d on a major scale in Ethiopia. This month, the U.S. ded to cut off military grant to the regime, partly because concern over the treatment the Derg's opponents.

Amnesty International is ply concerned about violas of human rights in Ethioand has appealed many es to the Derg to improve son conditions and halt extraicial executions. The organiion has been trying without cess to obtain permission for official visit to the country.

The Government's crackdown iears to have intensified since bloody power struggle inside Derg last month, from which Col. Mengistu Haile-Mariam, regime's strongman, emerged h increased power. Between 0 and 2,000 students susted of opposition to the Govment have been rounded up ce then, according to recent ivals from Addis Ababa.

The concentration of power in Mengistu's hands has inased fears for the safety of mbers of the Ethiopian royal ily and aristocracy, imprisoned by the Derg since the overthrow of Haile Selassie. The men in this group — numbering about 20 — have been held in the wine cellars of the former imperial palace in Addis Ababa, now the Derg's headquarters, while the women — ten princesses and two of their children are in the capital's Akaki prison.

During the past three weeks the Financial Times has spoken to human rights organisations, former Ethiopian government officials, an ex-inmate of an Addis Ababa jail and others with first hand experience of prison conditions. The following is the picture that emerges:

The 12 women members of the royal family held in Ababa jail —otherwise known as the Alembekalgne or "finished with the world" prison — are in very poor physical and psychological condition. A thirteenth member of this group, Princess Ijegayehu Asfa-Wossen, died in a police hospital on January 31 after an abdominal operation for a complaint contracted in custody.

Neither she nor the 12 surviving women, who look skeletal and are lice-ridden, have had access to proper medical treatment since their detention and there is particular concern about the state of four women.

The women are receiving supplies of pain-killing drugs, tranquillisers and sleeping pills, with which they attempt to treat themselves. There are clearly dangers in the unsupervised use of these drugs. They are living in a cell measuring about 12 feet by 15 feet, which includes a primitive toilet, simply a hole in the ground.

They are not allowed visitors, although a Swedish doctor was permitted to see them early last year and they were allowed to see their children last Christmas, the first meeting with any relative since they were imprisoned.

The men held in the palace are said to be in generally better condition than the princesses in Akaki, where many more women are imprisoned because of the political affiliations of their sons, husbands and fathers.

Akaki is one of a network of jails established across the country to house the regime's political opponents. Those in Addis Ababa include police stations, a converted school and a jail at the headquarters of the Army's fourth division.

Major prison camps are believed to have been set up in the countryside. An Air Force base at Gode, in the south-east Ogaden area, has apparently been converted into a maximum security jail though it is not clear whether it has yet been put to use.

Mr. Tefferi Buzuayeau, who was detained in Addis Ababa's Fourth Division jail between May and August last year, claims that over 100 Eritreans were incarcerated there simply because they were Eritreans.

Mr. Tefferi's account of jail conditions relates to a period before Col. Mengistu's February takeover and the position is reported to have deteriorated since then.

He was held in a cell containing 56 other people, where conditions appear to have been considerably better than those suffered by the women in Akaki. Prisoners were allowed access to books—apparently thanks to a visit by the Red Cross in 1975—and reasonable medical treatment, with volunteer doctors visiting the jail.

The prisoners were not allowed visitors, however, and their only direct contact with their families was at 11 a.m. each morning, when food parcels were delivered by relatives to the jail gates. From their cells, the prisoners could see their relatives across a 50-yard stretch of ground and developed a sophisticated sign language to communicate with them.

Doubt cast on reporter's confession

BY PHILIP BOWRING

HONG KONG, March 17.

A six-page article, published its latest issue, the Far Eastn Economic Review to-day hit k against allegations by the igapore Government and by its mer Singapore correspondent, un Senkuttuyan, who is curitly detained without trial der Singapore's Internal Secuy Act.

Mr. Senkuttuyan, in a statent issued by the Singapore vernment, said he had last ek distorted articles he had itten for the Far Eastern onomic Review and the Financial Times with a view to discrediting the Singapore Government and "supporting the Communist cause." The Singapore Home Ministry alleged that Mr. Derek Davies, Review editor, had spread a taped account of a conversation with Singapore Prime Minister, Lee Kuan Yew, to a "wide and indeterminate audience" which he knew "must cause mischief between the leaders of Singapore and Malaysia." The day after the release of the Arun statement, the Singapore Government arrested another former Review and FT correspondent, Ho Kwon Ping, under the Internal Security Act.

The Review said that Mr. Seukittarun's statement contained numerous inaccuracies and inconsistencies and that he had confessed to distorting his articles when no such distortions existed.

In a separate story by its Kuala Lumpur correspondent, K. Das, the Review said that scepticism ran high in Kuala Lumpur about the Singapore confessions.

Aid reaches Zaire as invasion spreads

KINSHASA, March 17.

ZAIRE took delivery to-day of U.S. and Belgian military supplies for use against a widening, eight-day-old invasion. Zaire has suggested that the invasion is led by Soviet-backed Cuban troops, and a U.S. embassy official here said that the situation was "deteriorating."

The Official Zaire news agency Azap said to-day that invading forces from Angola have occupied three towns in southern Zaire and turned them into minefields. The agency said that the invaders were led by Cubans and were former gendarmes who served former gen- late Moise Tshombe, leader in the early 1960s of secessionist forces in Katanga, now called Shaba.

Azap said that they had sought asylum in Angola 14 years ago after the failure of the secession attempt. The agency said that they numbered about 5,000 men.

While Zaire maintained official silence on the position of invaders, and provided no lists of casualties or property damage, Government sources confirmed privately that the forces were near Kolwezi and apparently heading north for the key air base of Kamina. Agencies

Reuter adds from Brussels: Belgian missionaries in Shaba province reported that men who entered from Angola acted correctly towards local citizens, diplomatic sources said here to-day. The missionaries, on the Zaire side of the border, could not confirm reports of fighting between the men and Zaire forces, the sources said.

Diplomatic sources here said that no more than 800 people entered Zaire from Angola.

Congress supporters in Bihar openly despondent

BY DAVID HOUSEGO, ASIA CORRESPONDENT

PATNA, March 17.

MRS. GANDHI, the Indian Prime Minister, looking tired after nearly a month of election campaigning and with still one more day to go, flew here to-night to find despondency widespread among Congress supporters.

At the ruling party's headquarters in this city, the capital of Bihar, an official earlier described the prospects for Congress in the province as being now "very poor." Only 16 of the state's 54 constituencies went to the polls yesterday. The remainder vote to-morrow and on Sunday.

Breaking completely away from the routine optimism with which Congress campaigners normally parry questions, the official said the party machinery here was "disorganised." His belief, following a tour of some of the constituencies in which voting took place yesterday, was that the opposition Janata Party was getting 60 per cent. of the vote and in some places 75 per cent.

But as against the 39 seats she won in the last election, the unofficial estimate at party headquarters here to-day was 15. All campaigning ends to-morrow night.

Mr. Jagjivan Ram, whose home state this is, and who has probably stirred more enthusiasm among the crowds than any other politician in the campaign, has been meanwhile acting as though the Premier's mantle is already his. Speaking from his Sasaram constituency, to the south of Patna, he was quoted in a local paper to-day as talking about the action he proposed to take against certain central Ministers and those responsible for "excesses." He said the Janata Party and his own Congress for Democracy would win 300 seats.

Power battle in China province

BY COLINA MacDOUGALL

A FIERCE power struggle has been in progress in China's main heavy industrial region, Liaoning province. According to the provincial radio, a leading sympathiser with the Gang of Four, Chairman Mao's widow and her three adherents from Shanghai, was arrested at a "struggle" rally on Monday. Several members of the provincial revolutionary committee, said to be the Gang's supporters, were "ferreted out" at another meeting held by the regional military commander, Politburo member Li Teh-sheng.

However, the solution of the "Liaoning question is not complete, we will not call off the battle until the victory is won," the radio said, and it is clear that the authorities expect further resistance from the Gang's remaining supporters.

The arrested man was Chang Tieh-sheng, who in 1973 achieved nation-wide prominence. As a rusticated student, trying for a place in an agricultural college, he wrote on his examination paper that he could not answer the questions because he had been doing manual work rather than academic study like his contemporaries. This began an important campaign aginst those who wanted to restore the educational standards that prevailed before the Cultural Revolution and led in due course to direct criticisms of Teng Hsiao-ping.

The present accounts of this Liaoning situation allege that Chang and his supporters in the provincial administration had plotted against Peking's senior leadership in collusion with the Gang and its minions at the capital's two universities. They are also accused of edging out veteran officials in Liaoning and winning over young ones with promises of office and honour.

The arrest of Chang and the unmasking of his supporters was carried out, the radio said, on the express orders of Chairman Hua Kuo-feng. This followed a four months period in which the situation was deadlocked and Chang protected by his supporters in the provincial government. This initiative from Peking, swiftly following recent reshuffles in the leadership in other provinces, suggests that Chairman Hua is now getting to grips with the intractable problems of provincial opposition. In this he is clearly being supported by the military.

Reuter adds. Twenty-nine people are reported to have been sentenced to death in Shanghai and Canton. The Shanghai supreme court has ordered the death penalty for 26 "active counter-revolutionary" criminals, and travellers said three Chinese had been executed for espionage in Canton.

Castro reappears in Tanzania after delay

By Our Own Correspondent

DAR ES SALAAM, March 17

THE CUBAN President, Fidel Castro arrived here today for a five-day state visit amid continuing speculation about where he spent the last 24 hours.

Gen. Castro was reported to have left Addis Ababa yesterday, but then disappeared. There was immediate speculation that he had gone to Somalia in an attempt to mediate between Addis Ababa and Mogadishu over their territorial rivalry in the strategic Horn of Africa.

But when his Soviet aircraft landed here today, a senior official on board said emphatically that the Cuban party had left Addis Ababa a few hours before. Whatever Gen. Castro was up to in the intervening 24 hours, the Cubans obviously want to keep it quiet.

Gen. Castro's visit comes before one next week by the Soviet President, Nikolai Podgorny. President Nyerere has always played down Western fears about a Cuban-Soviet axis in southern Africa, aroused by the Angolan civil war.

Tanzania follows its particular form of African socialism, and not Communism. Officials here are keen to point out that they want to remain independent of superpower rivalry and are not about to grant bases or facilities for the Soviet navy. Tanzania has expressed gratitude for the role of Cuban troops and technicians in Angola.

ON OTHER PAGES

WORLD TRADE NEWS

Japanese trade surplus to exceed $10bn. for year

BY CHARLES SMITH

TOKYO, March 17.

JAPAN registered a visible trade surplus of $1.25bn. in February, the Finance Ministry announced to-day. It was the fourth month in the past year in which a surplus of over $1bn. was recorded.

The February figure also makes it certain that Japan will record a surplus over $10bn. for its 1976 fiscal year which ends on March 31. The cumulative surplus for the first 11 months of the fiscal year now stands at $9.67bn.

The Japanese Government originally forecast (in December 1975) that the trade surplus for the current fiscal year would reach $4bn. By the end of last summer officials were conceding that the surplus might reach "$6bn. plus."

Private forecasting agencies however, were already saying last August that exports would exceed imports by over $10bn. The Government apparently underestimated the size of the surplus because it assumed that Japanese imports would grow faster during the latter part of the fiscal year than they actually did. It was not until the late autumn that surveys by the Ministry of International Trade and Industry revealed that imports were not picking up as expected.

Japan's exports in February were up 22 per cent. on a year ago, totalling $5.7bn. while imports rose 10 per cent. to $4.5bn. The rate of export increase, though large by standards of most other countries, is actually somewhat less than in the past few months when there have been percentage gains ranging from 24 to 35 per cent. over year ago levels.

This may sound comforting for Japan's trade partners, but the growth of imports last month was also relatively slack by comparison with the recent past. Increases had ranged up to 19 per cent. over year ago levels during the final months of 1976.

What seems to be happening, therefore, is that Japan's foreign trade is gradually losing its impetus but without any change in the pattern of strong export surplus.

The other components in the February payments balance include a $600m. deficit on invisibles (a little on the large side and due, apparently, to a heavy spending by outgoing tourists), a $200m. deficit on long term capital account and a $10m. surplus on short term capital movements. The overall balance of payments was in surplus by $460m.

Foreign exchange reserves at the end of February were $16.8bn., up nearly $400m. on the month and nearly $5bn. on February, 1976.

MATSUSHITA Electric Industrial Co. and other leading Japanese colour television set makers will be unable to continue exporting their receivers to the U.S. if the International Trade Commission's recommendations to raise import duties to 25 per cent. from 5 per cent. are adopted, Matsushita senior managing director Masaji Hino said, Reuter reports from Osaka.

U.S. alters steel import quotas

WASHINGTON, March 17.

THE U.S. modified its specialty steel import quota restrictions to-day to permit EEC countries to export an additional 3,141 tons of stainless steel plate, sheet and strip to the U.S. after March 25.

U.S. officials said that the quota revisions, which involve reallocation of quotas that are not being used by other countries, will also allow another 1,142 tons of stainless steel products to be imported from such countries as Austria, Brazil and Spain. In addition, Sweden's quota for stainless steel bars was boosted by 220 tons. No major revisions were approved for alloy tool steel imports, officials said.

The U.S., since last June, has restricted imports of stainless and tool steels from Japan, Western Europe, Canada and other countries through a quota system approved by former President Gerald Ford.

The import quota arrangements provided for reallocation of unused quotas in the final three months of each quota period. While the import restrictions were imposed, for a three-year period ending in June 1979, the Carter Administration is considering abolishing the specialty steel quotas before that time. It is possible, officials said, that the restrictions will be eliminated later this year.
AP-DJ

Mission shows interest in Airbus

BY HENRY SCOTT STOKES

PARIS, March 17.

THE 60-MAN Japanese trade mission which arrived here ten days ago has had a "superb reception" from the French, according to the leader of this mission, Mr. Tatsuzo Mizukami, president of the Japan Foreign Trade Council.

Whereas the Japanese mission to Europe last October, sent in response to European complaints about the Japanese trade surplus with the European Community, had a rough time this new attempt to patch up relations with Europe was proving a success.

Mr. Mizukami's remarks, which were made in an interview, indicate Japanese astonishment over the reception accorded them by the French Government and the Patronat. They came here expecting brickbats and have received accolades.

The mission is preparing the ground for important projects in the aviation and car industry. Mr. Mizukami stated that the Japanese had been "extremely impressed" by their visit to Airbus Industrie in southern France.

At a presentation made on March 11, Airbus Industrie, of which Aerospatiale and Deutsche Airbus are the main backers, proposed co-operation between Airbus Industrie and Japanese companies on existing types of the Airbus and a very comprehensive joint programme on new aircraft.

The Japanese were invited to provide operating equipment such as seats and galleys for aircraft ordered by Japan (the possible customers are All Nippon Airways and Toa Domestic Airlines). And they were asked to join in design, testing, manufacture and sales of new types of Airbus.

Mr. Mizukami said that his "own feeling" was that there would be Japanese orders for the Airbus. Dr. Hidemasa Kimura, a leading aviation expert, had told him that the Airbus was the most economic aircraft in the world.

Japan might also take a share in the Airbus project (in which Spain has a 4 per cent. interest.) It was irrational that Spain should be represented in such an important aviation endeavour while Japan—which has a far larger civil aviation fleet—had no part in it.

U.K. exporters expect growth to continue

Financial Times Reporter

BRITAIN'S MAJOR exporters expect continued growth, according to the latest export prospects survey carried out by the Department of Trade. Forecasts of volume increases for the first half of 1977 have been revised upwards from the last survey.

Major exporters now suggest that in the second and third quarters of 1977 the export volume will be 12 per cent. higher than in the same period in 1976.

The value of exports in the first half of 1977 is expected to be around 30 per cent. up on a year earlier, with an easing to 27 per cent. on the third quarter comparison.

According to the Department of Trade, the broad picture which emerges from the present survey is one of continuing buoyancy in the volume of total exports in the first half of 1977 but the path into the third quarter is difficult to assess.

In the survey, the period covered was the fourth quarter of 1976 to the third quarter of 1977. Replies were received from 64 companies and the returns covered three-eighths of the total value of U.K. exports.

Export financing alternative

By Margaret Hughes

WHILE BRITISH exporters are still grappling with the intricacies of the new ECGD foreign currency scheme, Finanz AG London, a member of the Credit Suisse group, is promoting a relatively new form of trade financing called Forfaiting and has just published what it claims is the first comprehensive guide on the subject in English.

Essentially it is fixed-rate, medium-term financing of capital goods whereby bankers discount, without recourse to the holder, trade drafts or promissory notes with a final maturity of anything up to seven years.

The main advantages claimed are its speed and simplicity, the non-recourse aspect and the absence of any currency risk.

This is offset by the relatively high cost of the facility in some instances, although the exporter may well find it worth while for the immediate cash flow benefits.

It is particularly applicable when exporting to higher-risk countries where the exporter would otherwise at best be liable for a hefty ECGD premium or even unable to obtain a Government guarantee, because the department was already fully committed to that particular country.

Forfaiting developed mainly in Switzerland but is also used extensively in West Germany, Austria and more recently the U.S. and Italy, though relatively little in countries such as Britain and France which have their own comprehensive government-backed export credit facilities.

Transactions can be virtually any size from the equivalent of Sw.Frs.250,000 per transaction to Sw.Frs.100m. and are mainly denominated in deutschemarks (about 60 per cent.) U.S. dollars (20 per cent.) and Sw.Frs. (10 per cent.)

The market is currently estimated to be around the equivalent of Sw.Frs.5-7bn. As an example the (true) discount rate of a five-year transaction for the Soviet Union in Swiss francs would currently be around 7.43 per cent. a year with a commitment fee of 1 per cent. a year.

Machinery recovery forecast by M-F

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

MASSEY-FERGUSON, estimates that the total market for industrial and construction machinery should recover during 1977 and overtake by a small margin the 100,000 units sold last year.

Growth patterns by 1981 are predicted by the group to be 58,000 crawler units sold a year, or a 25 per cent. gain; 40,000 wheel loaders, or a 20 per cent. increase; 22,000 wheeled or crawler excavators—mostly the latter—or a 20 per cent. rise.

M-F's president Mr. Albert A. Thornbrough said at an equipment exhibiton in Munich that "M-F intends to take full advantage of that market growth by doubling our current level of unit volume world-wide by 1981."

Sales by the group of this type of equipment should approach $750m., nearly twice the 1976 level. Last year's sales of industrial and construction machinery by M-F totalled $380m., a 7 per cent. increase on 1975. "In the fourth quarter of last year, we were selling at the rate of $500m a year—a level we will be striving to maintain throughout 1977," Mr. Thornbrough added.

M-F's activity in Europe was greatly expanded by the acquisition in 1974 of Hanomag. Since then, stated Mr. Thornbrough, more than 1,100 jobs had been added at Hanomag's Hanover plant and investment totalled DM80m (roughly £19m.). unit production was up 60 per cent. and to-day more than 60 per cent. of Hanover production is exported, compared with 37 per cent. when M-F took over.

Besta move intensifies shipping row with USSR

BY ROY ROGERS

THE GROWING row between Russia's state-owned shipping lines and the international shipping conferences intensified yesterday with the news that the Russian Besta Line is stepping up its freight services between the U.K. and East Africa.

In common with the North Atlantic and Trans Pacific conferences, the Europe-East Africa conference has been complaining recently of undercutting of up to 30 per cent. by the Russians.

Negotiations have been held between the Europe-East Africa conference and Besta, which has been seeking to join the conference, but these have been broken off without agreement.

The conference lines accuse the Russians of introducing speculative services in areas already covered amply by existing services and where actual Russian trade is often minimal.

Some — those who view the Russian shipping lines as merely part of the Russian Navy — see the growing role of the Russian merchant fleet as a strategic as well as commercial threat.

From the beginning of May, the Besta line plans to step up the frequency of its sailings from London to the East African ports of Mombasa, Tanga, Dar-es-Salaam and Port Louis to two a month although present sailings from Hull will be halted. The declared aim is to offer increased space to U.K. shippers.

Besta, which recently increased its rates by 14 per cent., maintains that its charges are calculated on a purely commercial basis although it does admit that these are often as much as 20 per cent. below conference rates.

Variable rate increases designed to produce an overall increase of 12.5 per cent. were announced yesterday by the U.K. Red Sea conference lines representing companies trading between the U.K. and the ports of Aden, Assab, Djibouti, Massaway, Hodeidah, Mocha, Berbera and Mukalla from the beginning of June.

Textile talks suspended as EEC baulks

By David Egli

GENEVA, March 17.

DISCUSSION ON the renewal or modification of the Multi-Fibre Arrangement (MFA) governing world trade in textiles has been suspended here for the month. The EEC, not yet in a position to negotiate because of differences among member countries, resisted a move by the chairman of the GATT Textiles Committee, Mr. Olivier Long, to reconvene the meeting in 10 days. A spokesman for the Community felt that it would be preferable to meet only when the participants were ready to negotiate—indicating that he did not expect an early resolution of the differences in approach to the textile arrangement within the Community.

Two days of talks have changed little in the basic line-up of countries in favour of a renewal of the MFA, which expires at the end of this year, and those who would like to see a renegotiation of certain key issues such as the base rate for permissible growth in imports. Developing countries, including the textile exporters, as well as Japan and the United States favoured renewal of the arrangement as it has operated in the last three years. Only the EEC, Canada, the Scandinavian countries, Austria, and perhaps Switzerland would want to see the intricate arrangement opened to renegotiation.

U.K. orders at Caracas top $2m.

BY JOSEPH MANN

CARACAS, March 17.

PARTICIPANTS in the British industrial exhibition being held here reported sales totalling over $2m. after only two days of public attendance, and prospects are excellent for a good deal more business during the next few days.

Britain's first major industrial fair in Venezuela, offering 200 exhibitors representing a wide spectrum of British goods and services, was opened on Monday night by the Duke of Kent and Presidente Carlos Andres Perez, Venezeula's chief executive. Attending the opening ceremony was a contingent of high Venezuelan officials, including Luis Alvarez Dominguez, Development Minister, Octavio Lepage, Interior Minister, and Sr. Diego Arria, the Minister of Information and Tourism, as well as a number of representatives of Britain's private sector.

EMI Medical Overseas announced the sale of an EMI body scanner valued at $500,000 to a hospital in Bogota, Colombia, while Aveling Barford reported the purchase of 13 units costing about £1m. (Aveling Barford sold a Venezuelan company ten Centaur 35-ton dump trucks and three TS-500 wheel loading shovels.)

Exhibitors were generally quite pleased with facilities at the Caracas Poliedro, a large, ultra-modern steel and concrete dome housing the trade fair.

Aside from the exhibitors themselves, several hundred visiting British businessmen and scores of potential buyers from Latin American countries outside Venezuela competed for rooms at Caracas' Hotels. Hotel space in this capital of three million is almost always scarce, but this week's exhibition has the city's hostelries splitting at the seams.

At the exhibition hall, attendance has been moderate but no one seems to be complaining. "We're not inundated with people," said public relations consultant Martin Kinna, "but they're just the kind we like to see."

Among other transactions reported thus far, JCB Sales sold a crawler-excavator and two excavator loaders worth about $120,000. Several local JCB distributors have placed orders amounting to $1.0m. this week alone in anticipation of future demand in Venezuela. Mr. W. Gerber, JCB regional director for South America, forecast sales of some $10m. for the area this year, up 85 per cent. from 1976.

A concern selling prefabricated houses, Blackburn Fourlands Group of Lancashire, had a request from a potential client on the possibility of supplying 12,000 units. At £7,500 each, the Lancashire company stands to make a £90m. sale if the deal goes through. Other companies with early sales included: Clarkson International Tools, Rote Stock and Morganite Thermal Designs.

The Caracas Exhibition, which will run until March 24, is being sponsored by its own participants, the British Overseas Trade Board and the Economic Affairs Committee of Canning House. The affair, costing around £2m. is the biggest production planned this year by the BOTB.

HOME NEWS

Defence cuts 'will hit front-line capabilities'

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

THE CUMULATIVE effect of recent cuts in defence spending will be a significant impairment of the front-line capability of the U.K. armed forces in the years ahead. This conclusion is expressed by the Parliamentary expenditure committee after a study of the recent decision to reduce defence spending further which, it says, have caused it anxiety.

The committee asks whether it is now Government policy to regard defence spending in just the same way as spending by other departments, regardless of the effect on the forces' operation capability, "or whether the defence budget ought to be assessed in the light of the perceived threat to national and NATO security."

The Government should make clear the basis on which it makes choices between defence and other spending programmes. Between 1973-74 and 1980-81, there would have been an annual average reduction in defence spending of £1.04bn.

Listing for the first time the cancellations of equipment the committee says they include the RS880 long-range artillery project, the Vixen wheeled reconnaissance vehicle, various radar communications items and a new cupola for the Chieftain tank.

Reductions included Gazelle and Lynx helicopters, together with follow-on orders for tracked reconnaissance vehicles and radar and other items. Projects deferred included the Hawkswing missile replacement for helicopters, the Milan crew-portable anti-tank guided weapon and other items.

For the Navy, cancellations included replacements for amphibious force commando ships and the Ikara anti-submarine missile improvement programme. Reductions included destroyers, frigates, conventional submarines, mine counter-measures vessels and supplies of naval fuel. Projects deferred included the Sea Skua missile and general spares items.

RAF cancellations included the QC-434 short-range air-to-air missile, radar and other items. Reductions included the Jaguar strike-attack aircraft, the air transport force, communications aircraft and engineering spares.

Projects deferred included medium-lift helicopters for the support of the Army, reduction of up to a third in the delivery rate of the Tornado multi-role combat aircraft, radar and other items.

It was not difficult to single out items where cuts had "serious implications for the quality of our defence capability.

"The Army has been badly handicapped by cuts and deferments in the helicopter force. Battlefield and logistic mobility has been impaired by failure to provide a medium-lift helicopter, together with a significant reduction in the capability of reinforcing divisions due to the substantial reduction in the number of Gazelle and Lynx helicopters."

In other areas, the committee was concerned at the lack of adequate anti-tank capabilities of the forces and at the inadequacy of the air defence of forward troops in the Rhine Army.

RAF difficulties

In the light of the recognition of the growing Soviet submarine threat, the Navy had suffered not only further reductions in the number of ships and submarines, but also a setback to its anti-submarine warfare capability.

The RAF had suffered a serious impairment of its strike and offensive support capability, not only with the cancellation of an extra squadron of Jaguars but also with the major cut in the delivery rate for the long-awaited Tornado.

"The danger of such a deferment is not simply that the numbers needed will not be achieved quickly enough, leaving an operational deficiency, but that there is a risk that the aircraft will be obsolescent before the last is delivered.

"No less disturbing is the wholesale deferment (by periods of up to four years) of the development of a wide range of successors to major equipment in or about to enter service.

"It may prove tempting to effect savings in development programmes in the short term which, while not producing any tangible impairment of the immediate front-line capability, will mean that in the long term our forces may have to persevere with increasingly obsolescent equipment.

The committee was concerned about the phased abandonment of commitments to the southern flank of Nato and of the reduction in the U.K.'s capacity to provide reinforcements for the northern flank. "Both represent a diminution in our support for Nato."

It is also sceptical of the habit of Governments of using the figures of percentages of Gross National Product as a measure of defence contributions to the Alliance.

Col Sir Harwood Harrison, Conservative MP for Eye and chairman of the defence and external affairs sub-committee, said yesterday: "You cannot keep on trimming the tail indefinitely without affecting the teeth."

Second Report from the Expenditure Committee, 1976-77, Cumulative Effect of Cuts in Defence Expenditure: Commons Paper 254; SO; £1.60.

District heating 'cannot compet

By David Fishlock, Science Editor

DISTRICT HEATING based on the use of stations to provide heat as electricity cannot with conventional methods given prese prices and availability 10 per cent. return on ment required by the T

That is the unanimo clusion of a working part senting enthusiasts for heating as well as the ele gas, and coal industries.

Nevertheless the repo lished yesterday by the ment of Energy, fin combined heat and schemes based on moder stations "would und save energy"—the equiv 20m. tons of coal a ye quarter of the U.K. po could be converted to heating.

The most importan which could make distr ing economic would be a cant reduction in the r rate of return—perhaps as 5 per cent.—or an inc fuel prices relative to products.

The working party e that it would cost abou at present prices to co quarter of U.K. homes to heating during the next 2

A pilot scheme to co large city with 85 pe "penetration" would co £300m., and from Scan experience would take years.

If such a change achieved, the working concludes, the most a way of exploiting combi and power would be thro trict heating distribut tems installed widely out large cities, to ut heat transmission fro power station to city

The overriding impor the report is that it pro agreed numerical basis f sing schemes in an ar viously confused by su arguments about the "wasted" by the el supply industry.

Conclusive

The report shows clea the irrefutable logic of ing large-scale combin and power schemes for century, when world fu threaten to be very h the reasons why no such are likely to be develo

Dr. Walter Marshal scientist at the Depart Energy, said yesterday working party, under th manship of Dr. John W the Central Electricity ting Board, had deli written a "flat" report cussion paper. It show clusively that, if combi and power were left to forces, nothing would ha

But equally, it could to argue that if nothing w the U.K. would regret its in the next century.

An argument whic Marshall rejected, howe that because combined h power was used in som countries, it must be thing, and that any rejec Britain was because th tricity industry was against it.

District heating co with electricity generatin U.K.: a discussion doc Energy Paper No. 20. SO.

Election for Europe MPs urged

By Ray Perman, Scottish Correspondent

THE British Government would be sabotaging the European Parliament if it failed to put forward legislation on direct elections, Mr. Christopher Tugendhat, one of the new British commissioners, said last night.

Speaking to the Scotland in Europe group in Edinburgh, he said: "There can be no question whatever about the need for a directly elected European Parliament.

"As the Community develops, and especially as the budget increases in size, the importance of making the Community institutions directly accountable to the people of Europe and of honouring the basic principles of no taxation without representation, becomes ever more evident.

"Let there be no doubt whatever that any national government which sabotages European elections by failing to bring forward the necessary domestic legislation will be depriving both its own citizens and those of the rest of the Community of what ought to be an inalienable political right."

The Government is committed to use its "best endeavours" to secure direct elections, but Mr. Ron Hayward, the Labour general secretary, has warned that opposition within the party could cause a split. A special conference may be held to discuss the issue.

Turning to aid from the EEC, Mr. Tugendhat said that Scotland had received £300m. and this trend continued in the 1977 allocations from the regional fund.

Pension plans 'face State hurdles'

BY ERIC SHORT

DOUBTS ON the Government's willingness to support development of good occupational pension schemes were expressed by Mr. T. N. Risk, in his chairman's annual statement to the policyholders of Standard Life Assurance Company, yesterday.

Mr. David Ennals, Social Services Secretary, and other Ministers were continually assuring the pensions industry that the policy of co-operation between private and State pensions fostered by the late Mr. Brian O'Malley former Minister of State for Pensions remained unchanged, Mr. Risk said. But too often their deeds seemed to belie their words.

Employers ought to be encouraged to make pension provision under private schemes. Instead, the Government placed a series of legislative hurdles in their path.

The complexity of existing and proposed legislation was making it extremely difficult for employers and their advisers to know whether their schemes were within the law.

Mr Risk referred in particular to Government proposals for member representation in the running of pension schemes and equal status for men and women.

The protestation of Mr. Stanley Orme, Minister of State, Social Security, that there was no ulterior motive in the Government's proposals would be more credible if he were to show himself more willing to give reasoned replies to the arguments advanced by the industry as to the likely deterrent effect, he added.

The growing volume of complex legislation was becoming an increasing burden to the Government itself, and departments were clearly feeling the strain.

The Occupational Pensions Board, for example, was required to issue a contracting-out certificate before the new State pensions scheme started next April, providing applications were made by December.

The Board's warning that this might not be possible because of the pressure of work was resulting in more uncertainties that made planning impossible.

Mr. Risk also attacked the proposals for devolution. The break-up of the U.K. would not be to the advantage of the Scottish people or to Standard Life.

If Scotland became a separate State, it would in no way affect the returns on English, Irish or Canadian policyholders.

But the overall profitability of the company would be reduced, and that loss would fall on Scottish policyholders.

Report—Page 23

Ceremony off

CHEVRON has postponed indefinitely the naming ceremony for its Ninian Field platform, affected by a strike at Highland Fabricators' construction site in Scotland. The £60m platform was due to be named Ninian Southern on March 26 by Lady Wright, wife of Sir Rowland Wright, chairman of ICI.

North Sea Oil Review, Page 13

Ruling in lost clothes case

A CLAIM for compensation for "damage" to an airline passenger's luggage in transit can include the loss of part of the contents, a High Court judge ruled yesterday.

Mr. Justice Kerr was giving judgment in a test case intended to resolve differences of view between the insurance market and airlines about the effect of the Warsaw Convention on International Carriage by Air in cases of loss of contents of passengers' baggage.

He held that Mr. John Fothergill of New House, Wimpole Road, Colchester, Essex, was entitled to succeed in a claim for £16.50 for the loss of a shirt, a pair of sandals and a cardigan as well as for £12 for damage to his suitcase.

Mr. Fothergill reported the damaged suitcase to an airline official immediately after his flight from Italy to Luton in March, 1975. But his complaint about the lost clothing was not made until about a month later.

Mr. Fothergill sued Monarch Airlines, who admitted liability for the damage but not for the loss. The airline contended that the loss claim should have been made within seven days.

Scottish job for planner

By Ray Perman, Scottish Correspondent

THE SCOTTISH Devel Agency has appointed Edward Cunningham, head of the India divis the World Bank, to lead i tegic planning unit.

In its next phase the will seek an interest in ar the economy which it feel to be strengthened, an Cunningham will be resp for co-ordinating thinki which industries it shoul port.

APPOINTMENTS

Senior executive changes at J. Lyons

Mr. N. L. Salmon is to become chairman and Mr. L. Badham managing director of J. LYONS AND COMPANY from April 1. Mr. B. L. Salmon, who has been with the company nearly 42 years, will give up executive duties on June 30 on reaching normal retirement date and will retire from the Board. To enable consequential appointments and changes in responsibility to take place at the beginning of the financial year, he has tendered his resignation from the office of chairman from April 1. Mr. L. F. Salmon, who gave up executive duties four years ago, will retire from the Board on April 1 after 48 years with the company.

It is the intention of the Board to appoint external non-executive directors during the next few months.

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Sir Denis Mountain, chairman and managing director of Eagle Star Insurance Company, has been appointed chairman of the ENGLISH PROPERTY CORPORATION. He has been a director of that company since 1970.

*

Mr. P. L. B. Stoddart has been elected a director of the MERCANTILE INVESTMENT TRUST.

*

Mr. D. R. Davies has become managing director of EMI Sound and Vision Equipment. He was previously director of planning on the staff of Mr. R. F. Thorne, director of EMI Industrial Electronics. Mr. N. F. Nicholson has been appointed finance director, EMI Leisure Enterprises and Mrs. Mary Jeffery has been made finance director, EMI Hotels and Restaurants Operations. Mr. Nicholson, who was director of finance and administration at AFA-Minerva (EMI), joined the group at the end of 1969. Mrs. Jeffery has been with EMI since 1973 and has held a number of responsibilities in group finance.

*

Mr. J. J. Briggs, a main Board director of European Ferries, has been appointed managing director of TOWNSEND CAR FERRIES. Mr. John Parsons has become deputy managing director at Townsend and Mr. Tony Young has been made operations and ports manager for Dover, Calais and Zeebrugge. Mr. Briggs, a former Townsend freight director, retains responsibility for group commercial freight as a member of the parent Board.

*

Mr. Roger Coyle has been appointed manager of the London branch of the NATIONAL BANK OF ABU DHABI. He was previously chief executive of a banking consultancy and before that held various positions in the National Westminster, Midland and Banque Occidentale in London.

*

Mr. J. E. Gordon will be resigning as a director of ROBERT FLEMING AND COMPANY on March 31 and will be joining the corporate finance department of LAING AND CRUICKSHANK INCORPORATING POWELL POPHAM DAWES AND COMPANY.

*

Mr. F. Roos has been appointed chairman of AMEV LIFE ASSURANCE in succession to Mr. J. P. Bol, who has retired. Jonkheer P. J. F. van der Does de Willebois has joined the Board.

*

Mr. Ian Hiley has become managing director of EDGAR ALLEN AEREX following the retirement of Mr. J. F. Machin. Mr. David Tiplady and Mr. David Phillpotts have joined the Board. The appointment of Mr. Tiplady is a non-executive and he has been made chairman. Mr. Phillpotts has executive responsibility for production.

*

Mr. J. Ross McGibbon, joint managing director, WHATLINGS, is to retire on March 31 but will remain on the Board as a non-executive director. Mr. D. Cameron Lindsay will be managing director from A The company has formed sidiary called Whatlings Engineering) with Mr. Rafferty as managing di Other directors of that co are Mr. Hugh M. Henderso Mr. John B. Fisher.

*

Mr. George Cruickshank rently general manager o management services divisio been appointed to the Boa LLOYDS AND SCO FINANCE as director of ma ment services. Mr. St Maran, currently general ma of the corporate finance di has been appointed to the as Credit Director.

*

Mr. Peter Short, prev operational director of Le Cars parts division, is to joi Board of SERCK SERVICES.

*

Mr. B. Cordrey and Mr. Finch will be joining the pa ship of E. B. SAVORY M AND COMPANY, stockbr from May 1.

*

From April 1, Mr. Charles Clay has been appointe director of A. P. BANK, a mem of the Norwich Union Insura Group.

هكذا مني ارحل

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So why on earth choose Britain?

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During 1974 and 1975, ITT spent almost £25 million on British research and development. The 1976 investment should bring the three year total to about £40 million, involving around 2,000 scientists and engineers.

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ROYAL ASSENT GIVEN TO STATE CONTROL BILL

Resignations may delay dockyards vesting day

BY JOHN WYLES, SHIPPING CORRESPONDENT

FRESH APPOINTMENTS to the organising committee of British Shipbuilders, together with the long-awaited announcement of where the new corporation's headquarters will be, are expected shortly.

The Royal Assent to the Bill *nationalising the aircraft and* shipbuilding industries was given yesterday.

Formal creation of British Shipbuilders and transformation of most of its organising committee into main Board members is likely in about a fortnight.

The actual date for vesting the Corporation with ownership of the 27 shipbuilding and marine engine-building companies is still uncertain, and may not be till mid-summer.

This is largely because the upheavals of the last few months, which began with the resignation of the chief executive-designate, Mr. J. Graham Day, have left the organising committee in need of time to make the necessary preparations for vesting.

Because of resignations the directorships of corporate planning, industrial relations and finance are vacant, and a hasty search is on for replacements.

Under the Act British Shipbuilders cannot be formally incorporated by the Government without a Board of seven under its chairman, Admiral Sir Anthony Griffin.

Two of the seven members of *the organising committee* have resigned, which means fresh appointments.

These are likely to be part-time appointments. Two names being confidently tipped are Mr. Tim McIver, managing director of Swan Hunter, the largest shipbuilding group, and Mr. Cameron Parker, managing director of John G. Kincaid, the Scottish marine engine-builders.

Other appointments may include a representative of naval warship builders, possibly Sir John Rix, managing director of Vosper Thornycroft, and a *third trade unionist to sit along*side Mr John Chalmers, general secretary of the Boilermakers' Amalgamation, and Mr. Les Gregory of the Electricians and Plumbers' Trade Union.

Chief's £19,000

Mr. Michael Casey, acting managing director of the organising committee in succession to Mr. Day, is expected to be appointed chief executive of the Corporation at a salary of more than £19,000.

Welcoming Royal Assent yesterday, Mr. Casey, until recently Under-Secretary at the Department of Industry's shipbuilding policy division, said public ownership would give the Corporation "a chance to make a viable and efficient industry.

"I am determined that we should seize the opportunity, and with the full co-operation of all concerned I am sure that we will succeed."

The Government is pledged to site British Shipbuilders headquarters in a traditional shipbuilding area, and it looks increasingly likely that this will *be the North-East.*

Mr. Day's organising committee recommended Merseyside, which it thought had access to better *communications*, but North-East MP's and councillors have mounted a tireless lobby for the past 12 months, which is bearing fruit.

The Corporation will in any *case set up a London base to be* near the main shipping companies and marine services.

Michael Donne, Aerospace Correspondent, writes: Formal establishment of the British Aerospace Corporation is expected to be announced next week by the Department of Industry, following the Royal Assent yesterday.

It is expected that the Board of the Corporation will be broadly the same as the Organising Committee, under the chairmanship of Lord Beswick, with Mr Allen Greenwood as a deputy chairman. The Committee has been preparing for nationalisation for the past year or so.

The Corporation will take in *the four main companies in the* industry—British Aircraft Corporation, Hawker Siddeley Aviation, Hawker Siddeley Dynamics, and Scottish Aviation—together employing about 70,600 workers.

The next big step after Royal Assent will be the announcement of vesting day, expected to be in late April. The date will be fixed by Mr. Eric Varley, Secretary for Industry, in consultation with Lord Beswick.

The way will then be clear for *the Department to begin detailed* discussions with shareholders of the nationalised companies—Vickers and General Electric (for BAC), Hawker Siddeley *Group (for HSA and HSD) and* the Laird Group for Scottish Aviation—on problems of compensation for the assets acquired by the State.

The formula in the Act (Clause 37) is that for quoted securities compensation will be based on the average of quoted values (of shares on each Wednesday in the six months to February 27 1974.

None of the aerospace companies has publicly quoted *shares*, all being wholly owned by the groups mentioned above.

The Act provides for compensation issues to be settled by negotiation between stockholders' *representatives and the* DoI, and failing agreement by arbitration.

Compensation arguments are outside Lord Beswick's province. He becomes responsible for the day-to-day administration of the industry.

He has already said that there will be no immediate and dramatic changes in the industry's structure. But eventually he envisages creation of two major groups, one comprising all the industry's civil and military aircraft activities, the other the guided weapons and space activities.

Among Lord Beswick's im*mediate tasks will be creation of* a long-term strategic plan for the industry, including arrangements for design, development and manufacture of a new *generation of civil aircraft for* the 1980s and beyond, probably involving a substantial measure of international collaboration.

Under the Act the Aeropsace Corporation will have borrowing powers of up to £250m., with special provision for up to £50m. more for the design development and production of civil aircraft.

In addition to Lord Beswick and Mr. Greenwood (chairman of BAC), the members of the Organising Commitee are Mr. *Bernard Friend (finance); Mr.* Leslie Buck, general secretary of the Sheet Metal Workers' union; Dr. G. H. Hough, deputy managing director of Hawker Siddeley Dynamics; Mr. G. R Jefferson, chairman and managing director of the Guided Weapons Division of BAC; Mr. F. W. Page, chairman of the civil and military aircraft divisions of BAC; Mr Eric G. Rubython, director and general manager of HSA; Mr. John T. Stamper, technical director of HSA; and Dr. Austin Pearce, chairman of Esso.

Access to '1.2bn. barrels of oil by 1981'

By Ray Dafter, *Energy Correspondent*

THE BRITISH National Oil Corporation will have access to more than 1.2bn. barrels of oil a day by 1981—*the equivalent of two-thirds of present U.K.* oil consumption—according to report.

Through this interest, the State corporation will be able to influence the way that much of North Sea oil is sold and used. It will also pave the way *for the corporation to become* a large crude oil marketer in the 1980s.

This prospect could cause oil companies some marketing problems, stockbrokers Wood, Mackenzie say. It could not be ruled out that the corporation might decide to become a large crude marketer in the 1980s, offering a range of crudes to refiners for sale or return. In view of this, North Sea producers might have difficulty in arranging long-term sales contracts.

Wood, Mackenzie adds that the corporation is anxious to achieve the status of a commercial oil company wherever possible.

The report shows that the corporation will have access to up to 1.25bn. barrels of oil in 1981, the equivalent of 54.9 per cent. of total North Sea production in that year.

This figure embraces the corporation's equity interest in *such fields* as Thistle, Ninian and Murchison. It also includes oil which can be taken in lieu *of royalty, oil earmarked to the* corporation under State par*ticipation arrangements* and oil which the corporation has agreed to buy from the British Gas Corporation.

About 338,000 barrels a day *of the 1981 total are subject to* buy-back arrangements where producers, such as Shell, Esso and Mobil, have gained the right to buy back participation crude for use in their refineries.

Governments told of for shipyard closures

BY JOHN WYLES, SHIPPING CORRESPONDENT

A *UNIQUE appeal to govern*ments of the world's major shipbuilding nations to face the need for widespread shipyard closures has been delivered by an international forum representing both shipping and shipbuilding companies.

In a paper sent to the Organisation for Economic Co-operation and Development and to 13 governments, the International Maritime Industry Forum gives a warning that world shipping is seriously threatened by measures which encourage yards to build ships for which there is no need.

This message is not new to most governments who have heard it from their own shipowners' representatives. But the IMIF's endorsement gives it greater significance because it *represents the combined view* of many of the world's leading banks, oil companies, shipowners, and shipbuilders.

Formed at the beginning of last year to promote possible solutions to the world tanker surplus, which is partly responsible for shipyard overcapacity, the IMIF has steadily *broadened* its view to take in threats to the balance between supply and demand in other sectors of shipping.

Sir James Dunnett, chairman of IMIF, said in London yesterday that while many governments were preoccupied with the predicament of their shipyards, few were seriously concerned about the prospects for their shipping industries.

As a result the IMIF stresses in its paper "the social, economic, and financial consequences of sustained imbalance in many sectors of the shipping/shipbuilding *industry* are closely inter-related. They must not be considered in isolation from each other."

In particular stresses that the could extend to ping. This worr could be made w ments allowed sp building in their s attempt to maintai says the paper.

In a ten-point IMIF says that sh port for shipbuildin be given after a of all the alternativ of maintaining em

Governments sho ning an orderly capacity based on re facilities for which clear commercial support should aim ships for which the onably firm demar coastal vessels, pas and ferries, naval other specialised sh

Builders oppose cut in homes tax relief

LABOUR PARTY proposals to reduce the level of tax relief for many home-buyers are firmly rejected by the house-builders *to-day in their pre-Budget repre*sentations to the Chancellor.

Earlier this week the National Executive of the Labour Party called for mortgage tax relief to be limited to the level received by standard rate taxpayers with the ceiling reduced to a level reflecting average house prices.

The Prime Minister said the proposals were "interesting" and would be examined, though it is not expected that any moves will be taken until after publi*cation of the Government's long*-awaited housing policy review.

The House-Builders' Federation has told Mr. Healey that it thinks nothing should be done in the Budget or at any later stage to limit availability of tax relief on mortgage interest payments. Because average house prices have risen the £25,000 tax relief limit should be raised to £32,500.

There was "an unanswerable case" for "switching the total housing problem" in the direction of the private sector and *away from* local authorities, especially in view of the overriding need for the Government to reduce public spending.

The builders also want the *Government to restore the local* authority home loans programme, which has been steadily cut as part of the overall public expenditure reductions.

Expenditure in 1978-79 is planed to reach only £1.68bn. against £2.23bn. in 1974-75. In the last two years local authority lending has fallen from 11 per cent. to 2 per cent. of all mortgage advances.

The federation wants a quick reduction in the Development Land Tax. It is calling for the 66⅔ per cent. tax rate to be cut to no more than 50 per cent. It claims that in the six months since the tax was imposed administrative costs exceeded revenue.

Rail ch acts ov policy r

By Ian Hargreaves, I

Mr. Peter Parker, c British Rail, is expe to-night to remove s tension between th Board and the Dep Transport over rail' in the May Trans Paper.

In a speech to th Institute of Transpor he will stress that a is concerned, the between the Board Department is symp that he is not expec to slash investment jeopardise the futu railways.

Senior civil serva Department of Tran *particularly angry at* such developments, appeared during a ma exercise on the Whi the week-end.

Many important d rail still have to be certainly cannot e major investment boo cuts are equally unli

On certain key iss investment beyond sidies for London an East, *and* freight def the board is still case vigorously.

Investment

On *Monday* Mr. F witness the unusual an agreed presentati between the board ar rail unions.

The principal point will be that a ten-y ment freeze at pre would worsen standa *vice and maintenance*

In fact, the positi rail board and the u The board is prepare the investment free whereas the *unions a* ing an immediate inc least £30m. a year.

The unions are al at British Rail's long- to cut much of the ra In their first consulta ing with senior board yesterday, MPs sponso National Union of R attacked this aspec board's policy.

Hattersley given prices warning

By Our Consumer Affairs Correspondent

THE NATIONAL Chamber of Trade warned the Government yesterday not to try the patience of the independent businessmen any further.

In a letter to Mr. Roy Hattersley, Prices Secretary, commenting on the Government's plans for future price controls, the chamber pointed out that it had tried to support genuine counter-inflation measures over the past few years, but this support had often been in the face of mounting criticism from its members.

Energy trends 'horrifying'

BY KEVIN DONE, INDUSTRIAL STAFF

A "HORRIFYING picture" emerges of future world energy *demands* if past trends are projected into the future, according to Mr. Charles Ryder, head of energy conservation technology at the Department of Energy.

World energy growth was increasing in the 1960s at the rate of more than 5 per cent. a year and oil demand was increasing at the rate of 7 per cent. a year, he told a London conference yesterday. "If extrapolated into the future this rate of growth would suggest that energy and oil demand would double in 15 and ten years respectively. In the 1960s we used more oil than had been used in the previous 50 years."

The conference, sponsored by the Confederation of British Industry, was on Saving Resources in Industry—now and in the 1980s.

According to various assessments of world reserves coal could be expected to last for about 200 to 300 years at present rates of consumption, Mr. Ryder said. But *oil and gas could begin* to run out by the turn of the century if the growth in consumption was not checked.

Referring to the energy gap between supply and demand that will open in the future, Mr. Ryder said that this applied more specifically to the possible shortage of the two convenient fossil fuels, oil and gas. "The simple fact is that the rate of discovery if new oil and gas reserves is falling while at the same time production and consumption are increasing."

Historically oil and gas reserves had represented 20 to *30 years consumption and this* ratio was maintained until the early 1970s by new discoveries. But without corrective action the growth of demand suggested that this ratio for oil would be down to seven years by 1983.

Bank resists motion on S. Africa

By Michael Blanden

MIDLAND BANK will continue to observe a "strict political neutrality" in all its dealings, subject to U.K. legislation, Lord Armstrong, chairman of the bank, says to-day in his annual report.

The chairman's comments are made in response to the renewed *pressure on the bank* over its loans to the South African Government. A resolution is again to be put forward at the bank's annual meeting requiring the bank to make *no further loans* to the South African government, its agencies or state corporations.

The resolution is supported by a number of shareholders and by a statement by Mr. Illtyd Harrington, deputy leader of the Greater London Council for holders of over 900,000 shares.

Asking shareholders to oppose the resolution on South Africa, Lord Armstrong maintains that the view expressed is a political one: "thus the right course for those who hold that view is to urge it upon the governments concerned and not the banks."

Statement Page 23

Canning Town Glass back in profit

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

CANNING TOWN GLASS, the glass container concern formerly associated with Lord Brayley, who died this week, has been completely restructured and is now making healthy profits.

Canning Town was near bankruptcy when it was taken over by the Arthur Bell Scotch whisky group in 1975.

But yesterday Mr. Raymond *Miquel, chairman of both Bell's* and Canning Town reported that taxable profits of Canning Town in the second half of last year reached a record £496,000.

A first-half loss, mainly caused by a furnace breakdown, reduced the full-year figure to £157,000, but Mr. Miquel said that the second-half results showed what could be expected from Canning Town.

The company's capital spending will be over £1m. this year on top of the £3m. spent since Bell's first took an interest three years ago.

A long-term technical assistance agreement has been signed with Hermann Heye of West Germany for the provision of technological support and know-how on an exclusive basis.

*The company has been restruc*tured under a new managing director, Mr. Bruce Scott, who took over in the middle of last year. The final stage of the rationalisation of accounting and administrative functions would involve the closure of the London office at the end of the month.

This would mean about 20 redundancies — Canning Town employs about 1,200.

The volume of Canning Town's output going to Bell's had been cut from 16 to 8 per cent.

Canning Town is the fifth-largest of the U.K. glass container makers, with sales in 1976 of nearly £13m.

*Lord Brayley moved in as chair*man in the early 1960s when it was having financial problems.

Summer crowd problems likely at Heathrow

By Ian Hargreaves

PASSENGERS using Heathrow Airport, London, this summer will again find it congested as a result of increased traffic and building *operations* in the central terminal area.

Mr. Kenneth Walter, the airport's director, said yesterday that difficulties were bound to continue this summer with an extra 1m. passengers expected, but he hoped that by the end of the year the position would have started to improve.

This summer's problems had been eased by a re-scheduling of flights to iron out peaks, but passengers and visitors should avoid arriving between 7.30 a.m and 1.30 p.m if possible.

Mr Walter also asked people meeting passengers or seeing them off not to bring the whole family. There had been 12m. visitors to the airport last year, and 1m. vehicles, 7½ per cent. more than in 1975.

The airport expects to receive 24.7m passengers in the next financial year against 23.8m in 1976-77. Mr Walter also warned that in the past forecasters had tended to underestimate increases in traffic.

GKN in motor components venture

By Terry Dodsworth

THE GROWING interest in light component materials for the motor industry has led to a joint venture between Guest, Keen and *Nettlefolds, Britain's largest en*gineering company, and Bristol Composite Materials (BCM).

The new company will develop and market composite material *components, which are likely to* be a significant growth area in the motor industry as vehicle assemblers progressively take weight out of their products in *the interests of fuel economy.*

GKN will have a 70 per cent. stake in the venture, and BCM 30 per cent. The company will be based at BCM's Avonmouth factory.

● NEWS ANALYSIS—STEELMAKING

Small is beautiful

BY ROY HODSON

BY INVESTING £90m. in an iron ore direct reduction *plant on* Tyneside, the companies involved are pinning their faith upon a new technical route for converting iron ore into iron and steel.

The participants, Consolidated *Goldfields*, Tube Investments, Manchester Steel Company, Sheerness Steel Company and Fiat, have all approached the pro*ject for different* commercial reasons but all share the common ground that they wish to back the direct reduction route to steelmaking.

Classical steelmaking as practised by the biggest world steel plants depends on employing a blast furnace to convert a mixture of iron ore and coke into iron.

The rule of thumb is that the bigger the furnace the cheaper the iron. The State-owned British Steel Corporation is building two giants to make 10,000 tonnes of iron a day apiece.

The blast furnace iron is reheated and refined into steel in other furnaces. Open hearth *furnaces* have now largely been replaced by fast and efficient steelmaking vessels into which oxygen is blown to speed the process.

Whereas an old open hearth furnace takes more than eight hours to reduce a charge of iron a new basic oxygen vessel can *do the job in 40 minutes.*

All that technology is side-stepped neatly by the new steelmaking route to which the Tyneside direct ore reduction plant will be linked.

The ore will arrive in giant carriers of 150,000 tonnes or thereabout, which enable a saving of at least £5 *a tonne* over the 20,000-tonne ore carriers which have been traditionally used for ore imports into Britain.

Then the ore will be put *through a form of cooking in* kilns fired by North Sea gas.

*The product of the direct re*duction plant is a form of iron ore briquette. It looks like hard lumps of iron ore but is 90 per cent. pure iron and is refined to be usable as the raw material *for electric arc steel furnaces.*

During the last few years a great number of so called "mini-*mills*" have sprung up across Europe using electric arc furnaces and continuous casting.

There are half a dozen in Britain including Manchester Steel and Sheerness steel. Their ideal raw material is either scrap steel or direct reduction briquettes and pellets.

Equipment

This steelmaking route cuts out the need for a big and expensive blast furnace and all its attendant equipment.

The iron ore briquettes from the proposed North Sea Iron plant will be a valuable source of material for mini-mills at home and abroad and for iron foundries.

The progress of direct reduction has been rapid. There are *now several different technical* systems competing for the attention of the international steelmaking industries. It is particularly attractive to developing nations wishing to set up modest steelmaking plants of their own.

Whereas a blast furnace and steel furnaces—the "hot metal" route—should be of more than 4m. tonnes annual steelmaking capacity to produce steel competitively, the direct reduction route permits a viable steel*making installation producing no* more than about 1m. tonnes a year.

The big steelmakers have long been preaching that "big is beautiful." Direct reduction has now developed to a *which its supporters* with justification tha *equally beautiful.*

It is still true that t steel comes from the h metal route" *steelwor*

But the *capital co* works is so enormou time needed to devel *from* green fields is more than a decade— financial case can be the direct reduction s route in competition.

British Steel reco year the desirability some directly reduced alternative and back main steel-making sys

Britain's first direc plant is now being British Steel at Scotland.

British Steel's direc plant, and the *North* Company now to be Tyneside will each capacity of 800,000 ton material suitable for furnaces and *foundri*

British Steel even s lities of using some basic oxygen steelma aces by making larg briquettes which dropped into the s vessel and which woul enough to burst thro *layer of slag to join* material beneath.

Clearly, the introd 1.6m tonnes of new fe steelmaking will have on the *pattern of the* steel industry in Brit

The main impact wi the scrap trade whic *scrap worth more tha* year to the steelmaker

Directly reduced or a serious competitor scrap prices, or at factor in holding the

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Take a ride on
success.
When you get down to it there is only one way to judge an airline.
The only sure guide is increased passenger support.
Over the last three years we have increased our passengers at the rate of 33% a year.
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So Take a Ride on Success, it's a
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Pakistan
Great people to fly

SOGAT rejects print technology proposals

BY ALAN PIKE, LABOUR STAFF

THE LARGEST print union yesterday removed the last chance of national newspaper workers supporting the *Programme for Action* proposals for the introduction of computer-based new technology on an industry-wide basis.

Members of the Society of Graphical and Allied Trades in London and Manchester have rejected the programme by 2,232 votes to 977.

The proposals have now been rejected in ballots of all three print unions—SOGAT, the National Graphical Association and the National Society of Operative Printers, Graphical and Media Personnel—and by a Fleet Street branch vote of the Electrical and Plumbing Trades Union. Members of the National Union of Journalists have yet to vote.

A joint standing committee of national union leaders and newspaper management representatives produced the Programme *for Action*, which sets out proposals for voluntary redundancy, pensions, new disputes procedures and other issues involved in the proposed introduction of new technology. But it is apparent that those union leaders who recommended the package under-estimated the extent of their members' opposition.

The SOGAT ballot result will come as a particular disappointment to Mr. Bill Keys, the union's general secretary, who, as the present chairman of the joint standing committee, has been very directly involved in promoting the Programme.

There now seems no prospect of the introduction of new technology taking place under a single scheme for the whole industry and future progress will depend on negotiations at individual house (office) level.

The industry had been anxious to avoid this with union leaders warning that without an agreed overall framework the consequences could be "extremely grave and have a serious effect on the continued viability of some titles."

Mr. Les Dixon, president of the NGA, whose members rejected the proposals by more than four to one, has suggested the possibility of negotiations continuing at house level with some form of overall national policy attached.

The end of an industry-wide approach would cast doubt over whether the joint standing committee would still be able to obtain a £2.75m. loan from the European Social Fund to help finance training.

Railmen oppose early pay decision

By David Churchill, Labour Staff

THE National Union of Railwaymen decided yesterday to ask Mr. Len Murray, TUC general secretary, not to allow any final decision on a third stage of the pay policy until July.

The union is concerned that agreement between the TUC and Government may be reached before its annual conference at Ayr in July can formulate the union's attitude. Last year, Mr. Sidney Weighell, NUR general secretary, abstained from the special TUC Congress vote on the pay policy because his union's conference had not met. Subsequently the NUR endorsed the pay agreement.

Although the broad shape of any further stage of pay policy is expected to emerge in April, no decision has yet been made on how and when the TUC should vote on any agreement.

Meanwhile leaders of the three rail unions, including Mr. Weighell, are meeting British Rail management to-day to press for increases in fringe benefit allowances in addition to the already agreed £2.50-£4 rise under Stage Two.

The union's executive committee also considered a report from British Rail yesterday that the shipping services between South Wales and Ireland were to be closed down as had previously been threatened.

Government 'will not force universal adoption of Bullock'

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

THERE WAS nothing in the Bullock proposals on industrial democracy to stop companies voluntarily setting up their own worker participation arrangements tailored to their own needs, Mr. Stanley Clinton Davies, Under-Secretary for Trade, said yesterday.

Mr. Clinton Davies stressed that legislation due to be introduced this Parliamentary session for both private and nationalised industries would not force universal adoption of the Bullock formula for worker directors, and would allow companies and unions to opt for something short of parity on the Board.

At the same time his speech to an Institute of Personnel Management conference in London made it clear the Government was still committed to ensuring worker participation in management decision-making at Board level where it was called for, based on the recognised trade unions.

Consultations with the CBI, the TUC, and others were "on the general basis" of the majority report of the Bullock committee, which has been strongly criticised by employers.

This opposition was forcibly expressed by Lord Watkinson, president of the CBI, who said if the Government tried to force industry to accept the recommendations of the Bullock Report, the ensuing controversy would greatly overshadow the row over the Conservatives' Industrial Relations Act.

Mr. David Lea, head of the TUC economics department and a member of the Bullock Committee, urged management to discuss the details of worker democracy; it was now not a question of whether to reform company Boards, but how, he said. The political decision had been made and he did not believe that more time was needed: protracted debate on the principle would only mean that nothing was done to improve Britain's industrial relations and therefore industrial performance.

He added that the Bullock Report, which had still to be considered by the TUC general council, presented as big a challenge to the unions as to companies.

Sir Jack Callard, former chairman of ICI, and one of the minority group on the Bullock Committee, warned of a sterile industrial relations conflict in the Boardroom with directors "locked in a power struggle."

Lord Bullock has been invited to speak, but is still recovering from an illness. The conference continues to-day with addresses from Professor Bill Wedderburn, of the LSE, and Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs. Both were members of the Bullock Committee.

Peace moves at Massey

By Arthur Smith, Midlands Correspondent

THE THREAT of another flare-up at the Massey Ferguson tractor plant at Coventry receded yesterday.

The Banner Lane plant, now resuming normal production after an 11-week strike over piecework rates on the new 500 series of tractors, was given seven days' notice of industrial action by 60 gearbox assembly men.

Local full-time officials have now been called in to allow discussions to resume. The latest dispute centres on piecework rates but, according to the company, is not directly related to the earlier issue of the introduction of the new range of tractors.

It is still too early to judge whether the company's target of 48 tractors a shift on the new 500 series can be achieved, Massey said last night.

Govan men vote for one-day strike

GOVAN SHIPBUILDERS' 5,500 Upper Clyde workers yesterday agreed to stage a one-day strike at the start of a shop stewards' unofficial campaign to prevent the rundown of the industry.

The decision, with only a few votes against, followed a recommendation from Mr. James Airlie, the State-owned yard's convener of shop stewards, at a mass meeting.

Other yards are holding similar meetings in the hope of organising a national one-day strike.

Early TUC decision expected in white-collar recruiting row

BY OUR LABOUR STAFF

THE TUC committee which hears inter-union disputes will shortly give its decision in a row between the Electrical Power Engineers Association and one of the other TUC white-collar unions which is bitterly contesting the EPEA's right to recruit in the private sector.

This week, the disputes committee took evidence from the EPEA and the supervisory section (TASS) of the Amalgamated Union of Engineering Workers in the first case to come before it since the EPEA decided last year to open its doors to engineers in private industry. Hitherto the union has been confined to the nationalised electricity supply industry.

The case involves a row at one of three GEC plants at Whetstone, near Leicester, but other cases are in the pipeline. Both TASS and the Association of Scientific, Technical and Managerial Staffs are opposing the EPEA, which in turn has protested to the TUC that its recruitment drive is being unfairly blocked by other TUC affiliates.

Already there has been friction at some plants between the EPEA and other unions, and attempts by the EPEA to come to terms with TASS on the whole question of recruitment were soundly rebuffed last month.

Behind the dispute is the recommendation of the Council of Engineering Institutions more than a year ago that the EPEA was the only TUC-affiliated union that it would encourage engineers to join. The council also recommended three non-TUC unions as being appropriate.

Manning row at Dunlop ends

NORMAL working was resumed yesterday by 4,000 production workers at the Dunlop factories at Liverpool, Skelmersdale and Wales after a one-day strike over manning levels. The dispute is centred at Walton, Liverpool, the footwear division, and talks between management and men are being arranged to prevent a threat of total strike action at Walton from Monday.

Components disputes end

TWO strikes were settled yesterday: Workers at the Goodyear car tyre factory at Wolverhampton will return on Monday after being on strike for a week. The 270 strikers have agreed to give a new car tyre process a 20-day trial.

At the Lucas aerospace factory, a three-day strike by 950 hourly-paid workers over a pay dispute is expected to end to-day. A formula for a return to work has been agreed after talks between management and unions.

SNOW REPORTS

	Depth (cms.) L	U	State of Piste	Weather	°C
Andermatt	50	310	Good	Fair	8
Excellent skiing on north slopes					
Avoriaz	130	190	Fair	Fine	4
Good spring conditions					
Courmayeur	125	260	Good	Fine	3
Superb spring skiing					
Grindelwald	10	95	Fair	Fine	11
Runs slushy but skiing possible					
Kleinarl	10	50	Fair	Fine	3
More snow needed					
Sauze d'Oulx	60	145	Fair	Fine	9
All places very slushy					
St. Anton	30	260	Good	Fine	10
Spring snow conditions					
St. Moritz	55	160	Good	Fine	9
Excellent spring skiing					
Tignes	150	250	Good	Fine	4
Good piste conditions					
Verbier	30	150	Good	Fine	16
Excellent skiing, very warm					
Wengen	6	110	Good	Fine	7
Good skiing everywhere					
Zermatt	40	130	Good	Fine	5
Top layer excellent					

The above reports were supplied by the Ski Club of Great Britain.

GERMANY					
Berchtesgaden	[illegible]	[illegible]	Poor	Fair	[illegible]
Garmisch	[illegible]	[illegible]	Poor	[illegible]	[illegible]
Oberammergau	[illegible]	[illegible]	Poor	[illegible]	[illegible]
ITALY					
Abetone	[illegible]	[illegible]	Fair	[illegible]	[illegible]
Bormio	[illegible]	[illegible]	Fair	[illegible]	[illegible]
Cortina	[illegible]	[illegible]	Good	[illegible]	[illegible]
Sestriere	[illegible]	[illegible]	Good	[illegible]	[illegible]
SWITZERLAND					
Arosa	[illegible]	[illegible]	[illegible]	Fair	2
Flims	[illegible]	[illegible]	[illegible]	Fair	15
Saas-Fee	[illegible]	[illegible]	[illegible]	Fair	2

COMPANY NOTICES

RESTAURANTS

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● CRYOGENICS

Fast deep freeze

AN EXTREMELY compact, lightweight cryogenerator able to produce temperatures down to 80 degrees absolute within 15 minutes is available from Pye Unicam.

Type MC 80 Mini-Cooler, is 38 centimetres high and weighs just six kilograms. Originally designed for military applications, this commercial version is ideal for a variety of laboratory and educational experiments and demonstrations.

Typical applications include infrared detector cooling, thermometer calibration, amplifier cooling, the study of condensation and freezing phenomena, determination of the heat of solidification of certain substances, determination of specific heat, and replacement of liquid nitrogen in certain techniques such as electron microscopy.

Operating on the Philips-Stirling principle, the MC 80 produces a cold output, at approximately liquid nitrogen temperature, at a copper "cold finger" normally situated inside a transparent bell-jar vacuum head. Provision has been made for pneumatic lines and electrical connections to be made through the vacuum wall.

Unlike most other Philips-Stirling units, the MC 80 is electrically driven. Its magnet-coil construction is similar to that of a modern loudspeaker. Completely linear drive produces efficient operation that is virtually vibration and noise free. No lubrication is required. Maintenance is negligible, even after extremely long periods of continuous operation.

The principle is based upon the cooling effect of alternately compressing and expanding helium gas in a closed cycle. The heat of compression is continuously removed by air cooling. The cold finger is progressively cooled, and maintained at low temperature.

Pye Unicam on 0223 58866.

● MACHINE TOOLS

Grinders increase output

ADDITION OF two Matrix 510 gear grinding machines to Hamworthy Hydraulic's pump gear finish operation at Poole, Dorset, has cut cycle times from 11¼ to 7¼ minutes, and has increased output by 30 per cent compared with existing equipment—1,330 pump gears a month per machine (previously 1,000).

Hamworthy pump gears have either nine or 10 teeth on a diametral pitch ranging from 5.07 to 3.79 inches. Gear faces are up to 2 inches long. They are used in high pressure hydraulic pumps for heavy agricultural and earth moving equipment, and are capable of moving fluid at rates varying from 3 to 120 gallons a minute. Pressures are up to 3,000 psi.

The gear grinders are made by Matrix Machine Tools, a TI machine division company. Heart of the gear grinding capability is in the involute diamond dresser. This produces a true involute curve, which can be adjusted to give modified profiles.

The involute curve is generated from cams and sine bars, which cover a large range of gears. Most gears up to 5 inches base circle diameter can be produced from one set of cams. Alternatively, cams are available for gears of low tooth numbers such as pump pinions. Further cams are available for gears above 5 inches.

Further advantage of this device is its ability to produce fillet radii by fitting templates to the cams. This method enables a perfect blend to be achieved. Both the tool flank and the fillet radius are produced with the same diamond.

Details of the gear grinding machine from Tube Investments, PO Box 39, Coventry, CV4 9DA (0203 75521).

Safe for an overseas operator

QUESTIONS of safety standards applied outside the U.K. will form the basis of a special one-day discussion meeting arranged jointly by the Machine Tool Industry Research Association and the Technical Help to Exporters service of BSI at MTIRA, Macclesfield, on April 21. The proceedings will be of interest to all exporters of machinery, particularly machine tools, and will include special reference to the requirements

● ELECTRONICS

Serving advanced industries

GROWING NUMBERS of operators in the U.S. electronics industry are asking themselves the question where their expertise really lies; in other words, whether they should take advantage of a new design idea in one particular area with which they are specially conversant, leaving the rest of a new system to be filled in from other manufacturers' ranges of equipment, or whether they should delay getting their system to market by building all the bits and pieces themselves. Frequently now they are opting for the "get it out quick" solution.

The same considerations are being applied in many other industries and hardly a week goes by in the U.K. now without one or other design or processing service being offered at rates which defy the in-house machine or design shops of all but the biggest manufacturers, simply because the entrepreneur offering the service can call the tune as to the range of work he is prepared to accept and can keep his machines loaded round the clock.

Optimum loading of machines designed for the maximum amount of automation obviously spells lower costs. At the same time, one of the reasons why, for instance, the European computer industry has lagged far behind its American counterpart has been indicated by Arthur Humphreys, retiring vice-chairman of ICL, as the lack of an infrastructure of supporting industries this side of the Atlantic.

This infrastructure for leading industries in advanced countries is, however, growing fast. It is finding an identity in a series of exhibitions coming under the name Sub-con in Britain and Midest in France, the latter series representing a major exhibition effort which reflects the fact that annual turnover in sub-contracting work in France is put at as much as F.Frs.70,000m. a year.

For 1977, the Midest venue is in Strasbourg and it is anticipated that stand space will exceed 10,000 square feet. At the previous event in Lausanne, there were over a thousand participating companies and organisations, compared with only 137 at the first event of its kind at Nantes in 1971.

There is hardly an industry that will not be concerned in one way or another, particularly as a clear trend is emerging to make the Midest events a centre in which to do market research, while there is an increasing emphasis on specialised technology contracting as contrasted with mass production operations.

The Strasbourg meeting (October 17 to 21) will also be the occasion for a conference of the French and German organisations equivalent to the U.K.'s Purchasing Officers Association.

It has already been decided that the 1978 Midest will be in Toulouse and the 1979 exhibition in Germany.

More from French Trade Exhibitions, 196, Sloane Street, London, S.W.1. 01 235 3234.

● COMPUTING

Plugs into the TV

AN interesting development in low-cost computing is the Poly 88 machine made by Polymorphic Systems of California and available in the U.K. from Compelec Electronics.

Based on the Intel 8080A processor, it has 512 bytes of random access memory plus sockets for 3,000 bytes of read-only memory, an eight-level interrupt system, real time clock, a monitor with graphics ability, a serial input/output port and the necessary power supplies.

In kit form the machine costs £600, and to avoid the need to buy a VDU—a £1,000 item—the designers have arranged that the computer output can be displayed directly on a domestic television receiver by plugging in, via a small interface board, to the UHF aerial socket. The only additional item needed is a suitable keyboard.

Other interface boards available allow connection to cassette or floppy disc storage and there are also memory cards, colour TV controller, disc controllers and analogue input/output cards. Facilities can be expanded by additional cards plugged into the S100 bus structure. More from S10, Kilburn High Road, London, N.W.6 (01-328 1124).

NCC on new financial footing

BRITAIN'S National Computing Centre is assured of a basic subsistence till 1980, thanks to a series of contracts concluded with the CSE Requirements Board—taking over from the old grant-in-aid.

Much more important than a subsistence, however, is the fact that NCC in 1977/78 will derive the major part of its income from other sources—membership, software, education and work in several areas for EEC groups—and expects this trend to continue.

CSE Requirements Board has concluded contracts up to 1980 worth £1.7m., to yield £900,000, or £1m. plus at current inflation rates, in the present year.

On present performance, the NCC's exports prospects for the current year at over £400,000 represents about 17 per cent. of total turnover. Whether this percentage will alter much depends to a large extent on what the Requirements Board decides NCC should pursue in the line of development—it has held NCC back in some of the 58 contracts now concluded.

But one significant change could make NCC a major international centre for information and co-ordination of effort on computer software—it is that where DoI previously sent seven members to Council, NCC is now largely to be left to its own devices to seek out areas where its services can be put to the greatest use.

Wave forces on marine structures

UCC is making available on its 1108 network a new program for the automatic generation of wave, wind and deadload data for space-frame structures in a steady sea state.

Called WAVGEN, it may be used to determine wind, wave and deadweight data for a variety of marine structures such as fixed piled jacket platforms, semi-submersible drilling rigs, jack-up type and articulated structures.

Wave profiles, water particle velocities and accelerations may be calculated according to a number of non-linear wave theories. Particle velocities can be modified to take into account the effect of current.

More from UCC on 01-387 9661.

Micros are on the move

RAPID GROWTH of interest in microprocessors is leading to a rush of announcements concerning support activities offered to potential users.

In recent days Data General has disclosed the development of a floppy disc based DOS (disc operating system) basic programming language for its MicroNova 16-bit machines. This means users will find program development on the new family as simple as on the remainder of the machines in the Nova family.

Also involving the MicroNova is the move by Scicon Consultancy to set up a development system for this unit from which it will be deriving a series of products.

One of the first jobs to be carried out will be the testing of Sparq—Scicon's name for a unit which will for the first time allow computer data to be transmitted over high frequency radio links.

Scicon has already booked a number of orders for this micro-based equipment, mainly from abroad. It will be driven by a MicroNova, but is only the first in a row of products the company is examining with a view to eventual production and promotion. Data General on 01-578 9231. Scicon on 01-580 5599.

Systems Designers has added a second micro to the list of machines implementing its portable Coral 66 compiler. It is Texas Instruments 990/9900 family of micros. The package will be sold direct to users. More on 0276 63471.

National Computing Centre has awarded Cap MicroSoft a contract to study the possibilities of pre-packaging software routines on microprocessor units that could then be used to instruct larger computers without the need to go to punched cards, paper tape or magnetic media.

The main problem seems to be the way in which the micros will plug into the larger machine. More from NCC on 061-228 6333.

NORTH SEA OIL REVIEW BY RAY DAFTER

Platform problems for Ninian

E CONTINUING strike at ...hland Fabricators' oil plat...s construction yard in Scot...l is causing some furrowed ...es among partners involved ... the development of the ...ian Field. For if it persists, ... stoppage could cause a sig...ant delay to the production ...il from Britain's third big... field, due to come on stream ...e first quarter of next year.

...e problem follows the ...nt dispute at JBE Offshore ...ule building yard at Clyde...t, where work on deck struc...s for the HiFab platform ... interrupted for about a ... Both stoppages have ...arrassed the offshore indus... and the Government at a ..., when they are emphasis... Britain's fabricating abili... in a bid to win more over... orders.

...though the Government has ...rge stake—both direct and ...ect—in the Ninian Field ...ugh its participation deals, ...sh Petroleum and British ...onal Oil Corporation, there ... sign, as yet, that the De...ment of Energy or the Off...e Supplies Office intend to ...vene in the dispute at ...b's Nigg yard.

...r it is not merely the pro...s of the HiFab steel plat... which is causing the ...an partners concern. It is ... that the completion and ...ery schedule for the cen... concrete platform, being ... by Howard-Doris at Loch ...orn is also tight.

...evron, on the other hand, ...ves that on the basis of ...nt progress, the platform ... be floated out just within ... summer's good weather ...ow: probably in September.

... Albert Granville, manag... director of Howard-Doris, ...ured to be even more con... yesterday. "With the ...we are going now, it looks ... we cannot fail to make it, ...ding nothing unforeseen ...ens. We have a contin... of one day a week for bad ...er and thankfully we are ...g up to spring and ...er."

... 1,700 men working at ... Kishorn have now com... four of the seven con...c walls which make up ...entral production platform ... its 1m. barrels of storage ...ity. The fifth wall— ...er three—is expected to be ...ed this week and work will ... begin in earnest on the ...mer walls which form the central tower.

Ninian Field's central concrete platform (above) takes shape but work on the southern steel platform, a leg of which is seen right, has been interrupted.

Mr. Granville said he was expecting to take possession of the deck, being built by McDermott at Ardersier, by the end of May. As a result, it might be possible to start fixing the deck to the platform tower in the second half of July, a month sooner than the latest date to catch the weather "window"—the period of settled weather best for offshore operations.

If the work is accomplished this summer—and September 14 is seen as the likely deadline—the platform could be in position for the start of drilling in October or November. Such a timescale could enable the field to start producing oil by the end of the first quarter of 1978.

But in spite of the optimism expressed by Mr. Granville and, more conservatively, by Chevron, the Ninian consortium is busy making contingency arrangements. If work on the central platform fails to meet the deadline the structure could be towed to a sheltered site on the west coast of Scotland. In this way deck assembly work could proceed throughout the winter months prior to a tow-out in April and production start-up in May or early June.

Furthermore, Chevron has a plan which would enable the field to be brought on stream through just the steel, southern platform (the one held up at Nigg), assuming this one reaches the offshore location before the central platform.

This brings us back to the concern surrounding this HiFab platform. The basic structure, in essence the legs and deck support, is 90 per cent. complete. Only 28 days more work is needed so it could still be delivered in April or May. However, if this platform misses the weather window, it is unlikely that it will be able to produce its first oil until late 1978.

PARTICIPANTS IN THE NINIAN FIELD

Company	Share %	Reserves m. barrels
Chevron (operator)	16.8	185
BNOC	21.0	231
BP	15.0	165
ICI	18.2	200
LASMO	9.0	99
Murphy	7.0	77
Ocean Drilling & Exploration*	7.0	77
Ranger	6.0	66
TOTAL	100.0	1,100

*50.9% owned by Murphy

Source: Wood, Mackenzie

Mr. Glenn Schurman, managing director of Chevron Petroleum, is emphatic that the Ninian partners are not issuing an ultimatum to the HiFab workforce. The workers must be aware, however, that the oil companies have a potentially powerful sanction. They can withdraw the second Ninian platform order to be placed with the yard — the northern structure announced last month.

There has been speculation in the offshore industry that Chevron ordered this second platform as a carrot to speed up work on the first. Inevitably, companies wondered whether BNOC—which acquired its 21 per cent. Ninian stake from Burmah—unduly influenced the decision.

Mr. Schurman denies these rumours, however. The decision was taken on sound commercial ground, he said. The group was able to take advantage of very competitive prices being offered by HiFab which, in turn, was anxious for more work.

The result is that the new platform, admittedly smaller than the one under construction, is costing some £40m. as against the £60m. being charged for its predecessor. With associated work, the provision of the northerly platform will bring the total development costs of the field to about £950m. Brokers Wood, Mackenzie reported this week that its estimate of costs had risen to $2.7bn. on the basis of three platform structures.

Chevron had considered using 12 sub-sea well completions to drain the northern portion of the field but this idea was abandoned for three main reasons. It was felt that the sub-sea technology had not been sufficiently proved; that the down-time caused through failures, maintenance and repairs might undermine the field's profitability; and that there were unacceptable environmental risks.

As a result of installing the third platform, the Chevron group should be able to cover virtually the whole of the Ninian Field which is roughly pear-shaped, some 12 miles long and stretching across the boundaries of block 3/3 (held by the Chevron consortium) and 3/8 (held by BP).

The platform was justified on the basis that it could tap another 100m. barrels of oil. The reserve estimates of Ninian are still a contentious issue, with estimates going as high as 1.5bn. barrels and as low as 900m. barrels. British Petroleum has been among the most cautious in this regard.

The consortium's official line is that the field contains 1.1bn. barrels of recoverable reserves on the basis of an average 37 per cent. recovery factor. The field is trapped in four different producing zones, each one of which has a unique recovery profile.

The production profile from the third platform has still to be announced — talks are continuing with the Department of Energy — but the new facilities should enable the peak production of the field to be sustained for a longer period.

With the two platforms it was expected that peak production would be about 310m. barrels a day over three years, 1980, 1981 and 1982. With the northern platform being brought on stream in the early 1980s it is between 335m. and 350m. barrels a day, a rate which might likely that 1982 output will be be sustained for a further year.

The extra production facility provided by this third platform will also give the Ninian partners more scope to maintain pressure through water injection. According to industry reports the field is a closed structure which will need water injected into the lower pay zones.

Like many other operators, Chevron is faced with relinquishing half of its licence later this year. Which portion to hand back to the Government is proving a tantalising question. Mesa Petroleum's last well, a dry hole close to its Moray Firth find, was drilled to provide just that answer. The Thistle Field partners have carried out an ambitious drilling programme to ensure that they do not hand back potentially rich reserves. The Chevron partners are fortunate in that their P202 licence also covers blocks 15/12 and 15/28 which means that they can easily avoid relinquishing part of the Ninian structure.

All being well, the Ninian Field should be on stream in the spring or early summer of 1978, adding considerably to Britain's progress towards energy self-sufficiency. But even if the construction problems are overcome there is another, longer-term worry. The Ninian oil is due to be pumped by pipeline to the Sullom Voe oil terminal in the Shetland Islands, which is also slipping behind schedule.

Chevron are providing offshore facilities to separate some of the associated gas from the crude. This will enable the group to send oil straight through the Sullom Voe tanks into tankers without the need for the delayed terminal separation equipment. But this exercise would mean that much of the Ninian Field gas would have to be flared. The question here is: will the Government be prepared to allow the flaring in order to gain the badly needed oil or will it force a further delay in the field's development in order to conserve the gas? The answer to this question has still to emerge.

...RATEGY FOR U.K. ECONOMY

...ECD analysis emphasises need ...o continue fight against inflation

PETER RIDDELL, ECONOMICS CORRESPONDENT

...DIUM-TERM strategy for ...K. economy which, if suc...l, would radically change ...tlook "which only a few ...ago seemed bleak" is set ... the annual review of the ...rom the Organisation for ...nic Co-operation and De...ent, published this morn...

... survey points to a set of ... alternatives open to the ...y in the late 1970s and ... 1980s—underlining the ...ers inherent in strategies ... excessive priority to either ...g up too large an external ...s or to a quick return to ...nployment."

... medium-term growth ...io would involve an aver...arly rise in gross domestic ...t (including the oil sec... 4 per cent. between 1977 ...82 with an increase of 9 ...nt. a year in manufactur...vestment in real terms, a ...cent. increase in private ...ption, a 1½ per cent. rise ...lic spending, a 6 per cent. ...e in export volume, and a ...cent. rise in imports (all ...rates). Total employment ... grow by 1 per cent. a year ...he period.

...growth

...analysis of the medium-...s against the background ...ort-term forecasts which ...te a further period of slow...; a decline in real dispos...income, and increases in ...loyment (to a total for ...Britain of about 1.5m. by ...d of this year). GDP is ...st to increase by 1 per cent. ... terms in 1977, compared ...ast year.

...only bright feature is the ...e of payments, where the ...says there are "encourag...gns of some real improve... thanks to greater price ...itiveness, growing North ... production, and restrained ...tic growth."

... review projects a current ...t deficit of about $500m. to ... for 1977 (about £300m. to ..., compared with £1.4bn. ...ear) with a surplus by the ...l half.

...s is in line with many non-...hall forecasts within the ... although the official view ...ns cautious about the rate ...provement this year. The ... projection of a 7¾ per cent. ...n export volume this year ...re bullish than most esti... import volume is expected ...rease by only 2½ per cent. ... OECD states that the ... against inflation must continue to receive priority. Any development that brought inflation above the present forecast level (itself very dangerous) could destroy the efforts of the last few years, relaunch inflationary expectations, recreate the conditions for a new rush on the currency, and bring the economy back to the chaos of 1974-75, just when it could, instead, be entering a period of self-sustained growth.

The review backs the policies announced in the International Monetary Fund Letter of Intent, and stresses the need for a continuing strict stance on monetary policy "even if short-run indicators were to point to substantial achievements in the fight against inflation."

The OECD notes that the pursuit of restrictive policies for another year will increase social costs. There was little that could be done to prevent a fall in personal disposable income for the third year running possibly by as much as 3½ to 4 per cent.

The selective labour market measures developed during the last year or two had a useful impact and their continuation would seem highly desirable.

The OECD praises the Social Contract. On the stage three pay talks the review says: "It would be highly desirable for the authorities to obtain uniform percentage increases which would neither compress differentials further, as past flat-rate increases may have done, nor open the Pandora's box of claims for differing increases for various unions, crafts, or sectors. The legitimate concern with equity problems at the bottom of the income scale, and with work incentives at the top, could be tackled by selective tax reductions at the two extremes.

"Such a policy would necessarily, for a time, slow down the process of reducing the budget deficit. Over the longer run and as activity picks up, it is of course essential that the public sector should, in line with present plans, achieve a substantial reduction in its deficit."

Novel policy

On inflation, the OECD suggests that provided the average increase in earnings does not accelerate, the rate of growth in consumer prices could decelerate quite steeply during the second half of 1977, and might fall below double figures by the end of that period. On a yearly basis the increase is still likely to be in excess of 13 per cent. (in line with the latest Treasury thinking).

The medium-term analysis pointing towards better prospects reflects the progress achieved on reducing inflation, a change in the authorities' medium-run policies, and the expected contribution from North Sea oil.

"As a result of the relatively novel policy approach, less heavily oriented than previously towards the short term, the economy could—for the first time since the 1967 devaluation—be able to break away from the vicious circle of the past."

The review points to the adoption of monetary targets and the planned substantial cuts in public spending over the next few years, and also to the policies associated with the Industrial Strategy in order to help revive investment.

The report notes that, "if one single explanation had to be provided for Britain's record concerning labour productivity and foreign competitiveness it would probably be round in the investment area."

Royalties

"The combination of these policies, especially if complemented by the continuation of the voluntary incomes policy and the determination not to alter course too frequently, should provide the economy with some of the basic preconditions for faster growth."

On North Sea oil, the OECD points to Government revenue from various taxes and royalties of about £5.5bn. between mid-1976 and 1980 (at 1976 prices) and £3.5bn. a year in the early 1980s.

The review outlines two main options—a policy giving priority to the requirements of the external account, limiting the growth of domestic demand rather severely even after the present transitional period. But it gives a warning, that an unrealistically low target for living standards may eventually entail the risk of industrial unrest and a wages explosion.

"And while it is essential to achieve lasting and substantial current account surplus to meet the numerous external claims on the country, there could come a point at which too large a surplus, consequent upon slow growth, could bring along with it problems of its own."

The possible upward pressures on the exchange rate are mentioned which could have adverse effects on the economy in the long term.

The alternative strategy of rapidly restoring full employment would have obvious social advantages but would clearly endanger the balance of payments, says the review. And a quick return to full employment could probably be achieved only by expanding the demand for labour-intensive sectors such as public services. More importantly, according to the OECD, doubts can be expressed as to whether a quick return to full employment in Britain is actually feasible at present in view of the very slow growth of the capital stock over the last few years.

The OECD, consequently, urges the adoption of a strategy between these two extremes. North Sea oil plays a crucial role in this analysis. The projected annual GDP growth rate of 3¼ per cent. without oil (and 4 per cent. with) between 1977-82 is expected to generate a rise in total imports of about 6¼ per cent.

Assuming no change in the terms of trade from now and a projected yearly increase in export volume of 6 per cent., the current deficit without North Sea oil would increase slightly and reach some 2½ per cent. of GDP (at 1977 prices) by 1982, compared with 1¾ per cent. in 1976. But when account is taken of North Sea oil, a small surplus could already be recorded in 1978, reaching some 1½ to 2 per cent. of GDP by 1982. By the end of the period the unemployment rate could have fallen towards 3 per cent.

The stimulus to growth will not come from public spending and "private consumption should not be a dynamic element in the growth process. Ideally, expansion should be led by exports and productive investment."

Incentives

The review highlights the question of whether the incentives to invest will be strong enough in present conditions of weak profits and low capacity use.

"But a restoration of profits sufficient to stimulate investment can hardly take place without a major increase in capacity use. For this to happen, an expansion of aggregate demand exceeding capacity growth is necessary and it is indispensable that this comes primarily from the export side.

"However, in the early part of the scenario period, when capacity utilisation and profits are still very low, the rate of growth of expenditure other than for production investments and exports have to be somewhat higher than the average for the period as a whole, this would have the advantage of helping to preserve the major elements of the Social Contract.

CRICKET BY TREVOR BAILEY

The finish to end them all

MELBOURNE, March 17.

ALTHOUGH AUSTRALIA eventually won a memorable (Centenary) Test by 45 runs, England have every reason to be well satisfied with their performance. They not only scored 417 runs, which did not seem remotely feasible after their first innings display, but also batted so well that the eventual outcome was in doubt until the final session.

The main reason was a great 176 by Randall, who rightly received the man-of-the-match award. The competent support from Amis and Greig also should not be forgotten, while in the closing stages Knott contributed a typical 42.

Unfortunately it was not quite enough. Lillee, who is not coming to England this summer, but whom I fancy will capture a large haul of Indian batsmen next winter in Australia, took five wickets for the second time and Chappell, with Gilmour injured, produced a tidy spell when it began to look as if England might pull off the impossible.

England began the final day on 191 for 2, requiring 272 to win, with Randall on 87 and Amiss on 34. With the new ball not far away, Chappell had to save his main, possibly his only two really penetrative, bowlers and therefore opened with O'Keefe and gave Lillee only to overs.

In this period Randall brought up the 200 with a square cut off Lillee, and then nudged him for a single to reach a splendid first Test century. Before Lillee came off he managed to fell Randall with a direct hit on what must be a very hard head, for after a few minutes this perky player carried on unconcerned.

The new ball arrived and Amiss reached his 50 with a tickle to leg. The English pair were still together at the interval, by which time the score had reached 267—Randall on 129 and Amiss on 63.

Lillee was now operating off a short run and Randall hammered him for ten off three successive deliveries after the interval. Chappell eventually ended this splendid partnership by bowling Amiss for 64. At 278 Randall was dropped at mid-wicket off Lillee, whose obvious disappointment was lessened by having Fletcher, failing to get behind the line, caught

The England captain celebrated his arrival by driving his first delivery for four, and repeated the srtoke in the same over.

There were two intriguing incidents. First Randall would have been run out by Greig if the bowler had hit the stumps but as he had impeded Randall the umpire would have been put into an embarrassing situation. Secondly, at 320 Randall was given out caught behind but the decision was reversed.

Fifteen minutes before tea O'Keffe had Randall caught bat and pad for an heroic 174. At tea England were 353 for five but unless Greig and Knott remained, the best they could hope for was a draw. In the final session Greig was caught off O'Keffe for 41. Old predictably was unable to cope with Lillee and Lever, playing back instead of forward, was lbw to O'Keffe.

The Kent pair, Underwood and Knott, continued to look for runs until the latter was bowled at 410, and shortly afterwards the final wicket fell with the result that the Centenary Test ended exactly the same as the first — a victory for Australia by 45 runs.

● Apart from the loss of Lillee, Australia will be without Gary Gilmour for their tour of England thiis summer. The Australian party: Ray Bright, Greg Chappell, Gary Cosier, Ian Davies, Geoff Dymock, David Hookes, Kim Hughes, Mick Malone, Rodney Marsh, Rick McCosker, Kerry O'Keeffe, Len Pascoe, Richie Robinson, Craig Serjeant, Jeff Thomson, Doug Walters, Max Walker.

The Property Market

BY QUENTIN GUIRDHAM

DLT protest grows with PO fund statement

The campaign to change the interpretation of a part of the Development Land Tax Act, which appears to rule out some traditional lease and leaseback arrangements, gathered momentum yesterday when the Post Office Staff Superannuation Fund announced why it had abandoned its financing of a shopping *scheme project* in Washington New Town, County Durham. Despite much activity behind the scenes, from the National Association of Pension Funds, the British Insurance Association, the RICS and some MPs, this PO fund is the first to step forward and cite a case publicly.

It had funded Stage One of Washington's town centre shopping scheme, 280,000 square feet finished in 1973, and this has proved a success. Stage Two was to be smaller, 90,000 square feet, including a 30,000-square-foot supermarket, another 20,000-square-foot store and 30 standard units. After Washington had considered offers from other funds, it was again the PO fund's deal which was accepted.

The timing of Stage Two is important since it is the link between Stage One and the 150,000 square feet SavaCentre now being built (this being the first major store of the new J. Sainsbury-British Home Stores *combination*). The value of Stage Two is around £2½m.

The fund's problem lies in liability to assessment for DLT on the value of the completed scheme without being able to set against this its interim development costs. This arises in cases where the date of deemed disposal for DLT purposes is the date of the financing agreements, at which time a fund would receive a lease from a corporation, grant an under-lease back, settled the basic return for the fund and also the fund's provision of interim development finance.

On this basis, the market value could be established by capitalising the fund's basic return on its money. If this value were £1m., then a fund would be liable at an 80 per cent. tax rate to an £800,000 assessment, but for anything to work the fund has to be able to set off the £1m. value against its interim payments and finance costs. If not, it is going to end up with costs of around £1m., plus £800,000 for tax, and a return (assuming a basic return, before its share of review gains, of 8 per cent.) of £80,000 a year on £1.8m.

The P.O. fund stated yesterday that "Because of defects which have become apparent in the DLT Act . . . it is not possible, as the Act is currently drafted: to provide for the financing of suitable and worthwhile developments by institutions such as pension funds and insurance companies using the well tried and hitherto acceptable leaseback formula. The fund regrets the necessity to withdraw from a project in which it has every confidence but until the anomaly of the Act is corrected the potential liabilities are penal."

Clearly, while the fund has not actually tested the Act and received an assessment for the whole projected value, with a nil base value to set against this, it has taken all advice and has been given no guarantee against immunity by the Revenue. So it *could not* safely continue.

The National Association of Pension Funds has had meetings with both the Revenue and the Treasury on this point. Several possible solutions have been found to be impracticable as they would change the workings of other aspects of DLT. The NAPF has now put forward a further solution, which in essence relies on simply adding a phrase about "taking into account the obligations to be performed by the landlord" to Paragraph 26 of Schedule 2 of the Act.

There are hopes that the Chancellor could give assurance in the Budget speech that the situation will be cleared up and that the changes could be made through an addition to the Finance Act. Until then, Washington Development Corporation, having to get on with Stage Two to provide a link with the SavaCentre is, ironically, getting its bridging finance from the Department of the Environment.

Slater Walker's letting

The EEC has come to the aid of Slater Walker. In a major Brussels deal, the Commission has leased the whole of SW's 11,206 square metres Guimard Centre office building.

The building is in the Quartier Leopold and within a short walk of the Common Market headquarters building at the Rond-Point Schuman. It is located at the corner of the Rue du Commerce and Rie Guimard, one of the streets leading from the Avenue des Arts.

Asking rent was BF3,000 per square metre, which may be reckoned just below prime rents at present, but is still fairly high for terms to a single tenant. Reports in the Belgian press indicate that something very close to this was achieved.

The scheme is said to have been advantageously funded and for the moment there is no indication that Slater Walker wishes to sell its investment. Jones Lang Wootton did the letting and also acted as project managers.

Legal & General fund drops liquidity

THE AIR of confidence continues to infuse the property investment market. The Fleming Property Unit Trust this week gleefully pointed out that its unit price has risen £38 to £1141 since December, but, more significantly, Peter Sim, manager of Legal and General's property fund manager, sounded a clear buying call at the annual review.

"1976 was the year of the property fund," he said. And this year he will be chasing reversionary properties and industrials. Last year he was also buying industrials — £10m. of them, which brought the proportion of industrial property in the portfolio up to 13 per cent. And he would be happy to see it accounting for a quarter of the portfolio.

He also bought another £50m. worth of commercial property last year, the largest sum spent in any one year in the past five. Apparently, the average yield on the £60m. purchases was 8 per cent., which gives a clue as to the drop in yields on industrials. But the more significant point is that Sim dipped heavily into the fund's liquidity margin to do his buying. At the end of 1975 the fund stood at £119m., of which £33m. was liquid. Now the fund is £169m. with only £10m. uninvested.

What is more, L and G's property fund is no longer concentrating on the small, rack rented buildings which have been so popular since 1974. Some 30 per cent. of the fund is tied up in buildings worth more than £5m. apiece, and Sim now thinks that £15m. ought to be the ceiling for an individual property (all other things being equal, of course.)

The six £5m. plus properties in the portfolio are: the Pennine Centre, 250,000 square feet of offices in two phases, in Sheffield; the Croydon Centre, comprising 154,000 square feet of offices and 78 shops; a slice of Commercial Union's headquarter's at St. Helen's Undershaft in the City; the Four Seasons shopping centre in Mansfield; Zimco House in Finsbury Pavement in the City; and the Cleveland centre, a mixed development on Teesside. Of these, four were acquired last year and there are more big acquisitions in the pipeline.

Haslemere ancient and modern, side by side in the Grays Inn Road, London. The new block, No. 338, contains 4,200 sq. ft. of offices on the ground and first floors which have just been let to the City and Guilds of London Institute at around £20,000 a year (the examiners also have space in the building to the rear). Upstairs are flats given to Camden Council in a planning gain deal and adjoining are Haslemere renovations let over the years to tenants including the council, the Institute for National Academic Awards and Lloyds Bank. Haslemere has now completed its work on the island site, which it bought from Pergamon Press in the late 1960s. Architects on the new extension were Geoffrey Spyer and Associates and in the letting Edward Erdman acted for Haslemere and Danial Watney Elloart Inman and Nunn acted for City and Guilds.

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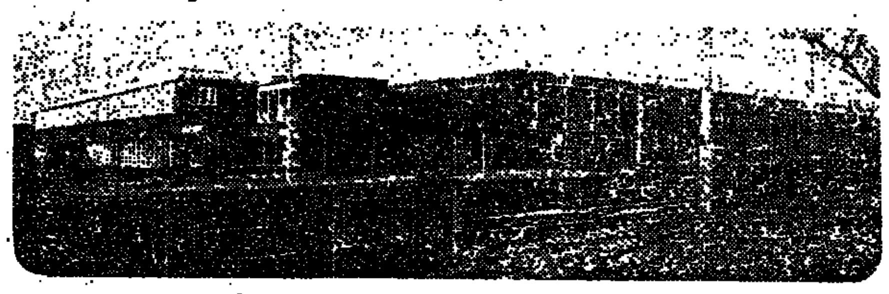

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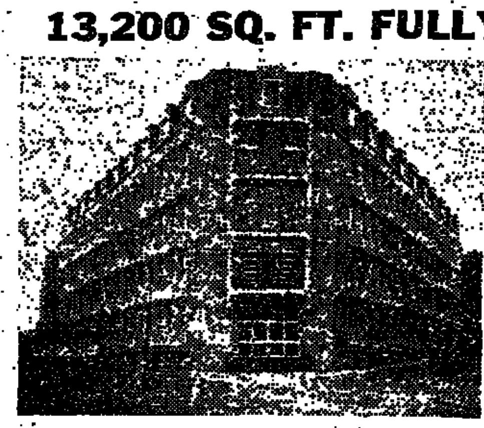

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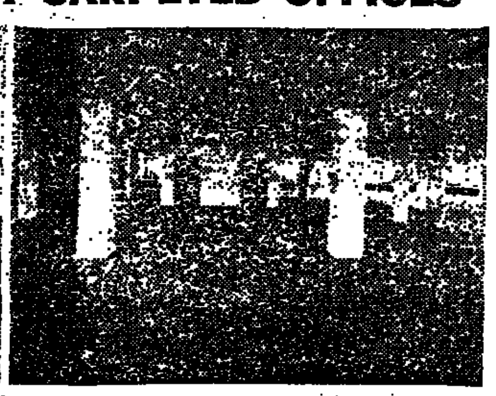

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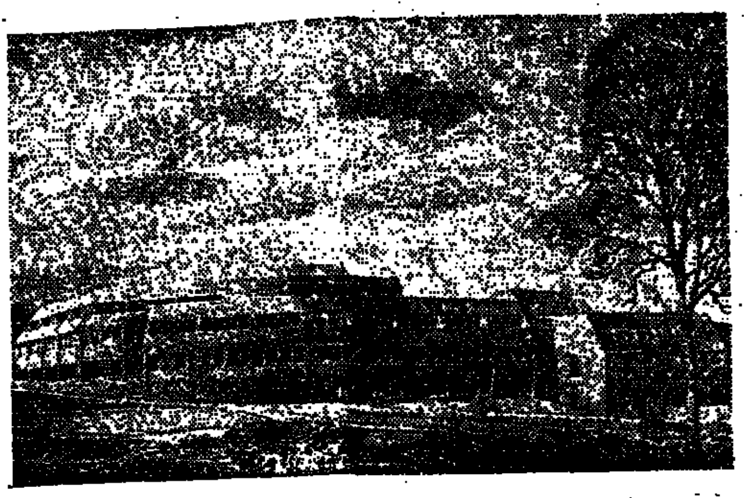

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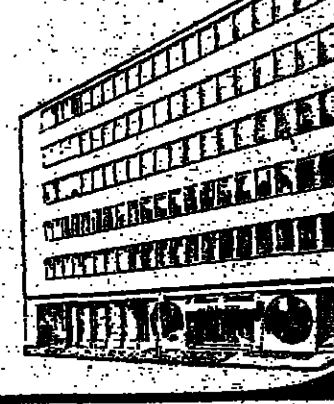

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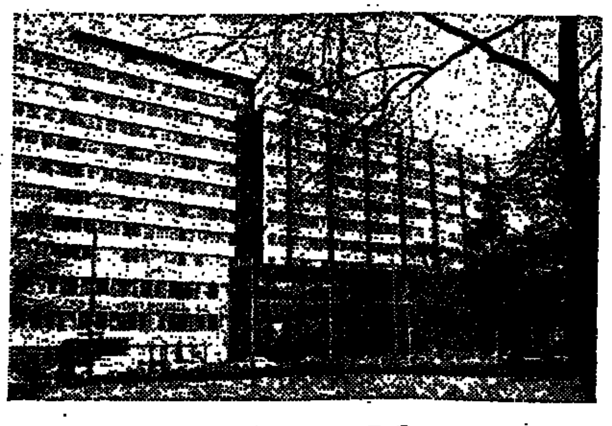

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PARLIAMENT

Glad tidings of little joy

BY PHILIP RAWSTORNE

THE GOVERNMENT had won the immediate battle for confidence, Mr. Joel Barnett, Chief Secretary to the Treasury, told the Commons yesterday.

Sterling was stable and a firm foundation had been laid for industrial and economic expansion. Glad tidings—and he was demonstrably surprised at the lack of joy on the Conservative front bench.

"I thought they would have been delighted," he said, turning in mock amazement to his backbenchers.

Mrs. Margaret Thatcher snappily protested that the Government had not got the confidence to put their public spending proposals to a direct vote.

But that merely added to Mr. Barnett's bounce. The Tory leader was getting obsessive about votes, he grinned. Surely she wanted the public spending cuts that the Government was proposing.

Abroad, everyone was cheering the Government. But at home the Conservatives were not only gloomy, but irresponsible.

The Chief Secretary suggested that the Shadow Cabinet should have a talk-in. It should sort out whether it should celebrate the cuts or not.

While Sir Geoffrey Howe was calling for reductions in housing subsidies, Mr. Michael *Heseltine was proposing another £600m. in mort*gage relief. And Mr. Patrick Jenkin was responding to the Tory economy drive by trying to add £60m. to the cost of social security.

Mr. Barnett's shower of taunts refreshed even the unhappy Labour left wing—but the Conservatives visibly drooped until, in Mr. James Callaghan's phrase, they looked like "faded daffodils."

Sir Geoffrey Howe rose bravely to his feet—and everyone wilted.

Droning on like some distraught bee in search of a target, he landed on the disenchantment of the Labour left. Only to be stunned by Mr. Eric Heffer.

"No matter how disheartened we may be at times," the former Industry Minister declared, "one look at your Front Bench is enough to unite all of us."

With that, Labour MPs chatted to each other and left Mr. John Pardoe to finish Sir Geoffrey with a cutting reminder of the part he had played in causing the country's economic problems.

Callaghan insists on gas increases

By Ivor Owen, Parliamentary Staff

THERE WILL be no change of mind by the Government over the increase in gas prices due to come into operation on April 1, the Prime Minister told the Commons yesterday.

He reminded MPs that the increase formed part of the package agreed in December to meet the undertaking given to the IMF on reducing the public sector borrowing requirement.

"It would not be proper for me to go back on those cuts that were made then or on the increases made then," Mr. Callaghan declared.

"If we do, we shall have to find £100m. cuts from somewhere else. We are not going to depart from the basic arithmetic of that agreement."

The Prime Minister admitted that he erred earlier in the week in implying that the gas price rise—imposed despite the ruling *of the Price Commission* that it involves a breach of the Price Code — would require the approval of the House before implementation.

He smilingly commented: "I apologise to everyone humbly for this grave and egregious error which I trust I need not repeat again."

Mr. David Steel, the Liberal leader, had suggested that it was doubtful whether the House would have approved the gas price increase.

He maintained that the authority of the Price Commission, in keeping private sector prices down, was being undermined by the action of Ministers in overriding its decisions so as to permit increases in the public sector.

Replying to questions about the continuing high level of unemployment, the Prime Minister re-affirmed the need to secure a higher level of world trade and said this would be one of the objectives of the economic summit to be held at 10 Downing Street.

The aim, he said, must be to get the industrial countries to reflate again without giving way to inflation.

Battle for confidence has been won; we can look for stronger advance—Barnett

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

IN A CHEERFUL assessment of *Britain's economic prospects* following the Government's latest round of expenditure cuts, Mr. Joel Barnett, Chief Secretary to the Treasury, yesterday told the Commons that conditions had now been laid down for a stronger advance in both output and investment.

"I believe we have won the immediate battle for confidence, but we need to create the conditions in which sustained expansion is possible to bring us back to full employment," he declared, opening the debate on the Government's public expenditure White Paper.

"Our first objective has been achieved in the financial market. The pound is firm. Our reserves have been *rapidly* re-built. Long-term rates are down," he added.

"Money supply is under firm control and general financial conditions have been laid down for a strong advance in both output and investment. This will create the kind of stable background against which *industry will grow.*"

Mr. Barnett went on to deny the charge, made by the Commons Expenditure Committee, that the cuts fell too heavily on capital spending rather than current expenditure.

But for the Opposition, Sir Geoffrey Howe, shadow Chancellor, described the proposals as "misconceived and misshapen," and argued that the Government no longer deserved the confidence of the House.

In particular, he criticised the Government for only permitting the matter to be debated on a motion for the adjournment of the House. This manoeuvre, he maintained, prevented the Opposition from voting on the Government's package in a meaningful way.

Sir Geoffrey also complained of the conspicuous absence from the debate of Mr. James Callaghan, the Prime Minister, and Mr. Denis Healey, Chancellor of the Exchequer.

He argued that the overall size of the cuts should have been greater and gave the example of local authority housing subsidies as one area where the axe could have fallen. He also indicated that the Opposition would be prepared to see cuts in the level of Government aid to trade *and industry.*

But Mr. Barnett, with the Government's critics in mind, protested that some people seemed to be asking for higher public expenditure at the same *time as wanting large cuts in* private taxes. They could not have it both ways.

He admitted, however, that the choice of the constituents of most MPs would be in favour of *income tax cuts*. It was not necessary to take a populist view to believe that their constituents were right. There had to be a shift in the balance but he would like to *see such cuts in taxes* come from economic growth.

The announced expenditure reductions were essential to the Government's programme, he argued. The restoration of confidence had been imperative if the Government was to avoid the danger of a massive fall in employment.

Accepted

Since the cuts, he said, the transformation in the external and financial markets over the last three months had been dramatic.

There was sceptical laughter from the Tories as he went on to claim that the immediate battle for confidence had been won. Mrs. Margaret Thatcher, Leader of the Opposition, asked why, in that case, the Government was so afraid of putting its policies to a vote in the House.

The Chief Secretary replied by accusing her of becoming obsessive on the matter and said that he had hoped for a more serious discussion of the issues.

It was now widely accepted, he said, that our problems could not be solved by reflating demand in the way that it had been done during the 1950s and 1960s.

He conceded that the expenditure cuts must lead to unemployment either directly or indirectly. At the same time, he said employment measures already announced by the Government should provide more jobs in the present year than would be lost as a result of the cuts.

Sir Geoffrey Howe said that at the heart of the Government position was "a total lack of integrity." The Government was cutting public spending and trying to hide the fact from its supporters.

Under the discipline of the IMF and the pressure of office, the Government had taken decisions which enabled us to get our breath but they had certainly not restored the balance of the economy.

The size of the public sector borrowing requirement, however large it turned out to be, would still be so large as to carry a risk of inflation returning. It would be large enough to be piling "huge and growing" interest charges on the people of this country.

Sir Geoffrey said the cuts had been made hastily in a damaging and unbalanced fashion.

If it had been possible, the Opposition's amendment would have been based on a call for help for the construction industry, with criticism of the disproportionate burden placed on capital expenditure cuts.

He attacked the Government for "deliberately and cynically" denying MPs the opportunity to vote on the issue. "A Government that has so far disregarded the custom and practice of the House and denied us the opportunity of voting on any amendment, is certainly not a Government that any longer deserves to command the confidence of the House."

Mr. *James Boyden* (Lab., Bishop Auckland), chairman of the Commons Expenditure Committee, said the findings of the expenditure general sub-committee that capital spending had been seriously cut and that current expenditure was expanding a little, was not only a theme that worried many Labour MPs but had been stated by other committees.

"They have spelt out the way in which these unexpected cuts have damaged programmes in the long run and have given far less value for money."

Mr. Enoch Powell (UUU Down S.), commented that it was unusual that Mr. Barnett should commend the White Paper to Labour MPs instead of to the whole *House. This seemed to* imply no positive proposition was being put to the House.

The White Paper was being presented in such a way as to make it impossible for the Opposition to suggest any alternative or make any criticism in a form which would lead MPs into one division or another.

Mr. Powell said the House was looking at a White Paper in which expenditure for four successive years was to be virtually stable both in real terms and as a proportion of gross domestic product.

"Yet parties and Parliament tear themselves to pieces discussing cuts. There are no cuts. Public expenditure has not been cut and is not going to be cut either in absolute or in relative terms, to any measurable degree."

What had been cut were the forward spending forecasts which the further ahead they were, carried less responsibility on the part of those who forecast them.

Mr. Powell warned that the Government was dicing with inflation and all the miseries that would result from it, by not cutting spending more.

The Government was at risk of having to resort to all sorts of short-term measures damaging to the economy and unfair to sections of the community.

Clash over Left support

TAUNTS THAT the Prime Minister could not depend on the Left wing of his party to support Government spending cuts led to a clash between Mr. Callaghan and Opposition leader Mrs. Margaret Thatcher in the Commons yesterday.

Mrs. Thatcher asked why Mr. Callaghan was the first post-war Prime Minister not to put the White Paper spending proposals "on a direct motion for a direct vote."

Mr. Callaghan said he was surprised at Mrs. Thatcher's complaints when she and her party had been pressing for spending cuts for many months. If it came to a vote, he said, he would expect to see every Tory MP in the lobby with him.

Mrs. Thatcher argued: "Isn't the truth that, if the Prime Minister puts down a motion to approve the White Paper, he would lose the day, the whole economic policy and the Government with it."

Mr. Callaghan said that Mrs. Thatcher was really being hypocritical in her calls for expenditure cuts if she felt that way. Why, when she called for cuts and the Government made them, was she voting against them? he asked.

Soviet deal defended

THE PRIME MINISTER yesterday defended Britain's trade agreement with the Soviet Union. It had already brought jobs to this country, he told MPs.

Mr. Winston Churchill (C., Stretford) argued: "Not one penny of profit will accrue to Britain but the British taxpayer will be called upon to finance approximately 50 per cent. of the total production cost of anything the Soviets choose to purchase under this agreement."

Mr. Callaghan replied that Japan, Italy and France—to take just three other countries—had similar *agreements and "it* would be foolish to cut ourselves off from that trade."

Labour MPs attack EEC policy effect on prices

FINANCIAL TIMES REPORTER

LABOUR MPs yesterday resumed their onslaught against Britain's membership of the Common Market and its effect on food prices with demands in the Commons for the abolition of the Community's agricultural policy.

Led by Mr. Gwilym Roberts (Lab., Cannock) the MPs gave a rough ride to Mr. John Silkin, Minister for Agriculture, similar to the experience of Mr. Roy Hattersley, Prices Secretary, earlier this week.

Mr. Roberts urged the Government to tell Britain's partners in the Common Market that "our *continued membership depends* on a drastic revision of their agriculture and food policy."

Mr. Silkin told MPs that the retail price index had risen by 108 per cent. up to December last year since our membership of the Common Market, but he refused to blame the EEC entirely.

He added: "How much of this increase is due to membership of the Common Market is difficult to say. As far as the Common Agricultural Policy and the present price review is concerned, the Government has made its position totally clear."

Mr. Douglas Jay (Lab., Battersea N.) warned of a further increase of 15 per cent. in food prices if the current EEC prices package is approved.

Supporting a call for abolition of the Common Agricultural Policy, Mr. Raphael Tuck (Lab. *Watford) referred to a report* predicting that the policy will cost Britain £600m. this year and mean further increases in food prices.

He asked if the Government could take action or whether this "millstone" would be permanently around Britain's neck.

Mr. Dennis Canavan (Lab. West Stirlingshire) claimed that Common Market price proposals would add 70p a week to the food bill for the average family.

But a different view was put by Mr. James Scott-Hopkins (C., Derby W.), who said that part of the increases in food prices were "due to the inflationary policies of this present Government."

Bid to abolish food surpluses

THE GOVERNMENT renewed its promise yesterday to try and abolish Common Market surpluses such as the controversial butter mountain.

Mr. Edward Bishop, Minister of State, Agriculture, said it was Government policy to see an end brought to structural surpluses and, where they did exist, to see that priority was given to EEC consumers.

"Structural surpluses will only be removed by keeping producers' prices at realistic levels," he declared.

Mr. Dennis Skinner (Lab., Bolsover) said that when Britain was debating Common Market entry, supporters of the EEC said it could assist Third World countries and act as a block against Eastern countries.

He asked if sending butter to the Russians fitted in with this concept. To him, it all sounded "like double Dutch."

Mr. Nick Budgen (C., Wolverhampton SW) asked why it had not been possible to sell the butter mountain off cheaply to old-age pensioners in the Community rather than let it go to Russia.

Next week's business

COMMONS BUSINESS next week is:

MONDAY: Redundancy Rebates Bill, Second reading; Nuclear Industry (Finance) Bill, remaining stages; motion on EEC proposals on coking coal for steel industry.

TUESDAY AND WEDNESDAY: Debate on defence: at the end on Wednesday, motion on financial assistance to the Meriden motor-cycle co-operative.

THURSDAY: Motion on procedural decision during devolution debate on February 10; motions on the European Communities (Definition of Treaties) order; opposed private business.

FRIDAY: Private members' motions.

MONDAY, (March 28): Social Security *(Miscellaneous Provisions)* Bill; Lords amendments; Family income supplements (computation) regulations; opposed private business.

Lords Debates are:

MONDAY: Debates on the EEC farm prices review and Rhodesia.

TUESDAY: Agricultural Holdings (Notices to Quit) Bill, third *reading; Social Security (Miscellaneous Provisions)* Bill, report; Job Release Bill, second reading; Patents Bill, committee.

WEDNESDAY: Debate on the need for a national stabilisation and recovery programme: Representation of the People Bill, second reading.

THURSDAY: Social Security (Miscellaneous Provisions) Bill, third reading: Criminal Law Bill, report: International Finance, Trade and Aid Bill, second reading; debate on action taken towards obtaining agreement to publication of material for Pay Research Unit comparability studies.

Recess dates

THE COMMONS will rise for the Easter Recess on Thursday, April 7, and return on Tuesday, April 19, Mr. Michael Foot, Leader of the House, told MPs yesterday. The Lords will rise on March 31 and return on April 19.

Written Answers

INDUSTRY

Mr. Jim Lester (Con. Beeston). Why has earlier action not been taken to counteract the effect of Post Office cut backs on the telecommunications industry in the light of warnings given by the honourable Member for Beeston and supported by the honourable Member for North Nottingham on November 4, 1975, which specifically dealt with reductions of staff by Plessey and advocated constructive remedial measures which the Government are only now considering?

Mr. Leslie Huckfield, Under-Secretary. On the points made, the Post Office has stepped up its marketing budget greatly in recent years, and has for some time given its regional directors discretion to introduce temporary local reductions in the connection charge for a new telephone. It is pressing ahead, in co-operation with the main manufacturers of telecommunications equipment, with the development of System X. And the proportion of Post Office equipment orders placed over*seas remains extremely small.*

TREASURY

Mr. Michael Grylls (Con. North West Surrey). What has been the percentage increase in excise duty on table wines since 1974?

Mr. Robert Sheldon, Financial Secretary. Since January 1974 the excise duty on table wine, including the special surcharge imposed from December 16, 1976 has increased by 333 per cent.

Mr. Bryan Gould (Lab., Southampton Test). What proportion of the improvement in the effective exchange rate, calculated on the new basis, is due to: (a) the increase in coverage, (b) the change in the base year for trade weights and (c) the method of averaging?

Mr. Robert Sheldon. Approximately one third of the improvement in the effective exchange rate index, calculated on the new basis is due to increasing the country coverage and updating the trade weights. The remainder is the result of changes in the method of averaging and improvements in the calculation.

Mr. Michael Marshall (Con., Arundel). What is the total manpower required to distribute and *process* income tax returns.

Mr. Robert Sheldon. Assuming that "processing" includes the receipt and filing of returns together with their initial examination, but not any consequential processes needed to assess or adjust the tax liability, it is estimated that the equivalent of some 1,000 full-time staff are engaged on this work in tax offices.

ENVIRONMENT

Mr. Ronald Atkins (Lab.—*Preston North). What representations* have been received up-to-date concerning the release of chlorine gas from returns?

Mr. Denis Howell, Minister of State. My Department has received a number of enquiries about the possible risk to the stratospheric ozone layer from chlorofluorocarbons, the uses of which include serving as propellants in aerosol sprays. The present scientific evidence would not justify any immediate action to restrict their use, but we shall continue to keep a close watch on the situation and support relevant research.

EMPLOYMENT

Mr. Dafydd Wigley (Pl Cymru, Caernarvon). Will the Secretary of State publish a table showing the percentage rate of unemployment in each intermediate area whose average unemployment of which is in excess of 8 per cent. at the most recent convenient date?

Mr. John Golding, Under-*Secretary. Following is the in*formation at February 10: Intermediate areas—South Western 8.3 per cent.; Oswestry 8.1 per cent.; North Lincolnshire 8.6 per cent.; and North Wales 10.1 per cent. The percentage rate for North Wales relates to the intermediate area plus part of the Llandudno travel-to-work area outside the designated area.

Mr. Dafydd Wigley. Will the Secretary of State publish a table showing the percentage unemployment rates for special development areas that are in excess of 10 per cent. for the most recent available date.

Mr. John Golding. At February 10th: Special Development Areas—Merseyside 10.6 per cent.; North West Wales 12.4 per cent; *Girvan* 13.6 per cent; and Livingston 10.1 per cent. The percentage rate is for the Bathgate travel-to-work area which, in addition to Livingston, includes Bathgate, Broxburn and West Calder which are not Special Development Areas.

OFFICIAL SECRETS ACT

Case of the rusty blunderbuss

BY JOE ROGALY

IF SECTION II of the Official Secrets Act was taken literally, and implemented in every instance in which there was an apparent breach, we in Britain would do nothing but attend trials, prosecute, and send one another to jail.

For the section makes it an offence for any person to receive or to communicate any classified information from or to anybody who has not been given official permission to handle it. The offence can be punished by up to two years in prison.

It is this section that the Home Secretary promised to change in a statement to the House last November; according to Mr. Arthur Lewis, who emerged from a meeting with the Home Secretary yesterday, the commitment is now to repeal Section II in the next session of Parliament.

The news must be welcome to the 100 or so MPs who have taken part in the "Freedom of Information" campaign, as it is no doubt to many others, but many questions remain to be answered.

The first is, what is the state of the law now? In theory it is unchanged; in practice Section II has been under such strong attack from so many quarters for so long that until very recently it was widely believed that it had become a dead letter.

In 1972 a committee under Lord Franks condemned its catchall character, which *seems* to class both genuine spying and the modern, more acceptable, habit of leaking as the same thing.

The unsuccessful prosecution of Mr. Brian Roberts, Editor of the Sunday Telegraph, and Mr. Jonathan Aitken under the Official Secrets Act appeared to bring the law into disrepute.

The publication of a long *list* of memoirs — from those of Mr. Richard Crossman to those of Mr. Joe Haines, has shown how far opinion about what is secret and what ought not to be has moved since the heady days of anti-German spy fever that in 1911 led the Commons to pass the entire Act in one afternoon, after little more than half an hour of debate.

Yet the Act is not regarded as moribund by the police. The recent arrests of Mr. John Berry, and two journalists, Mr. Duncan Campbell and Mr. John Aubrey, all involve charges under Section II.

The case against these three *has been linked with the decision* to deport an American journalist, Mr. Mark Hosenball, since Mr. Campbell had worked with Mr. Hosenball on an article in Time Out.

The second major question is "what would replace Section II?" Following the Franks committee's line of thought, the Government is apparently intent on a *new Official Secrets Act that* would more clearly define what is to be protected — such as information about security, intelligence, defence, and international relations.

The penalties for a breach might be more severe: the risk that the law could not be made *to work would be circumvented.* The rusty blunderbuss would be replaced with an Armalite rifle.

The third major question is "What about access to non-classified information?" A positive right to see non-classified Government documents on demand, such as exists in Sweden, is sought by Freedom of Information campaigners.

This would break down the wall of secrecy that still surrounds most Government business.

The opposition to any such proposal, if it were put forward in a Government Bill, would be strong; senior civil servants in particular could be expected to protest strongly, since minutes *are made of everything they do.*

Thus there is little chance of a simple repeal of Section II; the greater likelihood is a new Bill to replace it. It is only when the Government publishes that Bill that its intentions will really be clear.

The Management Page

EDITED BY JOHN ELLIOTT

Robert Oakeshott describes the development of French co-operatives which have recently attracted a measure of political attention

Offspring of a working class movement

...HE first time since ...ost anyone can remember, ...od French worker co-...ratives are beginning to ...act at least gestures of ...itical attention in Paris. ...th combined turnover in ...5 approximately £300m. ...a labour force of around ...000 spread between a total ...537 independent enterprises, ...y are linked together in the ...federation des Sociétés Co-...ratives Ouvriers de Production (SCOP). Now "measures ...our of the Co-operative ..." have been promised ...resident Valéry Giscard ...ing.

...made this promise when ...dressed the 26th congress ...e International Co-opera-... Alliance in Paris last Sep-...er. But it seems inherently ...usible that Giscard fore-... anything but the most ...st role for industrial co-...atives in his advanced ...al society. It is clear, in ... case, that the French ...ance Ministry is almost ...y opposed to various sug-...ons put forward by SCOP ...ackling the special finan-... problems which the indus-... co-ops have always faced.

...upport

... the other hand it does ... more or less on the cards ...if the Left should triumph ...rance's next Legislative ...mbly elections, the Social-...nd the Radicals (Gauche) ...press for some concrete ...ures of support for the ...s.

...is true that there would ...e any great enthusiasm ...such measures on the ...h political or trade union ...or among the French ...ing class as a whole. As in ...in so in France, the extension of public ownership and the State sector is still the chief objective. All the same, conversations have recently been started between the SCOP leadership and the economic commission of M. Mitterand's Socialists.

Measures in support of the industrial co-ops might well make sense to the Socialists as a way of appeasing the French Right and of distracting some attention from a nationalisation programme.

Like their English counterparts in the British Co-operative Producers Federation, the French SCOP enterprises are historically children of the working class movement of the last century. The names of some of the older ones—Les Solidaires, Fraternelle Poitiers, Avenir Louvigne, and even one with the revolutionary name of A la Bastille—reflect the aspirations and slogans of working people a hundred years ago. Some, like Le Verrerie Ouvrière d'Albi which is the fifth largest producer of glass bottles in France, were only born as a result of the most protracted and bitter struggles.

Though they are the offspring of the working class movement, the SCOP enterprises, like the British producer co-ops, have never really been treated better than rather embarrassing stepchildren. In both France and the U.K. the main thrust of the co-operative movement since the end of the past century has been behind consumer, not producer, co-operation. In both countries co-operation has been at most a secondary expression of working class solidarity. The great weight of the shop floor has been thrown into the trade unions and into demands for nationalisation. And producer co-operatives have been seen by the bulk of the Left in both countries as at best a diversion, if not a threat.

Yet at least until relatively recent times, the reality of the French co-ops has remained unmistakably working class and "artisanal" in character. Certainly up to 1945 the SCOP enterprises tended to keep their distance from the professional middle class, and in turn to be viewed with suspicion not only by the trade unions but by capitalists and the middle class alike.

Growth record

What is surprising, given an almost uniformly hostile environment from both Left and Right, is that the SCOP enterprises have survived into the last quarter of the 20th century at all. But they have not only survived. They have a slow and more or less unbroken record of growth. At the turn of this century the number of producer co-ops in Britain and France was roughly equal at just over 100.

On the other hand while there were 537 SCOP enterprises in 1975, the Department of Industry could only find an uncertain 20 British counterparts surviving in 1973. This contrast is even more striking if one accepts the claim of SCOP headquarters that these enterprises have been growing faster than the French economy as a whole since the war.

It is a historical and largely academic question why the experience in the two countries has differed so sharply over the past 75 years. But the upshot is that there exists in contemporary France—but not in Britain—a relatively flourishing, more or less genuinely democratic, workers' controlled industrial sector. Roughly a third of this is made up of enterprises founded before the last war. A similar proportion is accounted for by enterprises engaged in building and civil engineering; some 40 per cent. of them are also concentrated in the region of greater Paris. If one excludes building—and leaves aside the growing number of recent creations which are old capitalist enterprises in new clothes like the Kirkby Manufacturing and Engineering in the U.K.—the most important of those set up since the war are middle-class operations. Fairly typical of these possibly surprising newcomers is BERU, a firm of town planning consultants in Paris, which was the 29th largest of the SCOP enterprises by turnover in 1975 with sales of well over £1.5m.

More interesting however than the appearance of such new middle-class enterprises among the ranks of the SCOP cooperatives has been the efforts of some of the largest and oldest ones to modernise themselves and to introduce the kind of professional and managerial people—the French call them les cadres—who are indispensable for business success.

Such a process of modernisation was completed some time ago by the largest and one of the most venerable of these enterprises—the Association des Ouvriers en Instruments de Precion (AOIP) — which is among the leading producers of telephone equipment in France. It employs more than 3,000 people and had a turnover of around £50m. in 1975.

Then there are two building enterprises — Hirondelle in Paris and Avenir in Lyons. Each has a labour force of approximately 1,000 and completed their process of self-modernisation well before the end of the 1960s. The professionalism of Hirondelle is demonstrated by its success in securing a large chunk of the contract to build the third and latest Paris airport, Charles de Gaulle.

FIVE LARGEST SCOP MEMBERS BY TURNOVER

ENTERPRISE	ACTIVITY	TURNOVER ('75) Frs.m.
AOIP	Telephone equipment	433
ACOME	Copper wire	207
Hirondelle	Building and civil engineering	104
Avenir	Building and civil engineering	104
Verrerie D'Ouvrière D'Albi	Glass bottles	68.5

But perhaps most interesting is the self-modernising experience of Verrerie Ouvrière d'Albi, the glass bottle maker which is fifth largest SCOP enterprise by turnover with sales of approximately £8m. in 1975. For one thing the modernisation has only just happened. The enterprise has its origins in 1896 in a bitter strike and lock-out and, partly as a result, was very emphatically working class, very inward looking, and highly egalitarian in its attitudes right up to the start of its modernisation in the early 1970s. So the changes which had to be introduced to make the enterprise competitive involved particularly tough adjustments for the co-op's worker-members.

In material terms perhaps the biggest adjustment which the labour force of 400-500 worker-member-owners had to impose on itself in the early 1970s was an increased capital deduction from wages, from 4 per cent. to 10 per cent. This cash was needed to help finance an essential modern and automated new plant which has now been built a few miles outside Albi.

The outlook last year, when profitability was regained after temporary losses due to the modernisation programme, was sufficiently good for a cautious lowering of the deduction figure from 10 per cent. to 8 per cent. Such a short term financial sacrifice by the workers is probably only possible inside a democratic, self-governing, and co-operative type structure. There would be little point in suggesting such solutions inside, say, either British Rail or ICI. And one can just imagine the furious rhetoric of hostility which would be unleashed if anyone was bold enough to propose an employee contribution to the tax payer-financed modernisation programme at British Leyland.

Adjustments

Yet it is easy to believe, as I was told at Albi, that the labour force of worker-owner-members found it, if anything, harder to come to terms with the non-material adjustments involved in updating their enterprise. Among such adjustments was a four-fold increase in the number of management executives—from five to 20. The old egalitarian maximum of a two-and-a-half times wage differential has also had to go. And since the new executives are generally young and in something of a hurry, there is no reason to doubt that much of the old familiar atmosphere has been lost or that relations between management and shop floor have been causing severe personal strain.

However I was assured that the worst of these problems are now over and that soured relationships are on the mend. But there are still problems. Absenteeism, now around 5 per cent., is significantly higher than under the old regime. This is also higher than for the average SCOP enterprise. It is however much lower than in any comparable State or capitalist owned French industry.

In the individual SCOP enterprise, there are many other examples to encourage those who believe that structures designed to evoke self-reliance on a collective basis can produce surprisingly positive results. One is in Angouleme where a co-op making tents and fibre glass boats—Coop Sport-Vacances—was founded in April 1975 following the earlier closure of its Angoulème canvas and sports goods subsidiary by the Munich - based multinational, Bayer Chemicals.

The subsidiary was closed by Bayer on the grounds that it was unprofitable. Yet under the leadership of the former commercial director the new co-op succeeded, despite the disruption caused by voluntary liquidation and the interruption of market access, in making a profit in its first year.

It now employs 85 people. While this is no more than about one-third of the previous labour force, it is still a very considerable achievement. Moreover it is evidence of the spirit of self-reliance that has been generated that the largest part of the new co-op's capital has been subscribed by the members themselves. About 30 of them have each borrowed £2,500, over seven years, from the Credit Mutuel to make this possible.

Wages reduced

The final example is a daily newspaper, the Courier Picard, in Amiens, which has been constituted as a co-operative since the end of the last war. Like other newspapers in France and elsewhere the Picardy Post is being squeezed by high printing union-negotiated wages on the one hand and the enormous costs of converting to the new print technology on the other. The unions were recently asked by this co-op paper for authority to reduce wages in order to help finance the new technology. Even if with reluctance, but because it is a co-op, the unions have recently agreed that the total payroll may be reduced; and they have left it to co-op members themselves to decide what combination of redundancies and wage cuts should be involved.

Of course such an example does not mean that either the French Left or Right is suddenly about to espouse the cause of factory democracy and industrial co-ops in a big way. But the French experience is just beginning to confirm the main lessons of the more well-known Mondragon co-ops in Spain. This is that once modern management is introduced such enterprises can produce some startling results.

Robert Oakeshott, a former Financial Times journalist, is now active in the common-ownership movement and is associated with a builders' co-operative in the north-east.

...ST SAVINGS

Employees enlisted to implement a programme of economies

BY SUE CAMERON

BRIGHTLY packaged ...on on the old company ...tion box theme has just ...ntroduced to Britain from ...S. where it is said to have ...l its worth in over 300 ...sations including com-... such as General Motors, ...d Honeywell.

... package is called QED, ... stands for "Quid Each ...nd it is being sold in the ...y a London-based com-...called Industrial Motiva-...he aim of the programme ...galvanise employees into ... ways of saving £1 per ...ithin their own depart-... A handful of U.K. com-... including Smith Kline ...rench, Bowater, Crosby ...and Express Dairies have already used the package and they claim that it has proved effective. Express Dairies says the QED programme brought savings of £15,000 in one of its cheese factories.

Gimmicky

The package is designed to provide a four-week programme which will involve all the employees in a company from the managing director down. It has a strong patriotic theme and it is distinctly gimmicky. It includes posters, suggestion cards, a handbook, a large consignment of drinking mugs all decorated with Union Jacks, and a number of holiday vouchers which have to be redeemed within the U.K.

During the first week of a QED programme, a company adorns the walls of its offices and factory with cut-out figures of John Bull and scarlet posters made in the shape of footprints which proclaim: "Take a giant step for Britain." Notes saying, "Together we can beat inflation—Coming Soon" are stuffed in pay packets and notices calling on everyone to "Bring Back Britain" are glued over doorways.

The object of all these enigmatic slogans is to whet the curiosity of the workforce. For it is only at the end of the first week of the programme that they are told what QED is all about. They receive letters from their managing director explaining the scheme and stressing that it is purely voluntary. They are then issued with suggestion cards and those who put forward workable ideas receive a mug and a chance to win a £50 holiday voucher in the weekly QED lotteries.

Industrial Motivation says the beauty of all this gimmickry is that people do not feel shy about making money saving suggestions. The company claims that many individuals would normally keep their ideas to themselves for fear of looking silly if a suggestion turned out to be a failure. Industrial Motivation adds that a concentrated four week QED programme stimulates employees into thinking up new ideas whereas permanent suggestion boxes tend to be forgotten or ignored.

The few concerns that have already used the package in the U.K. say they all received a surprisingly high number of money saving suggestions from their employees. Ideas ranged from changing light switches so as to avoid wasting electricity, to the design of shields that would prevent unnecessary spillage from food processing machines.

Suggestion

At Bowater's paper and board division, one employee suggested that a skip should be placed at the entrance gate so that everyone's morning newspaper could be collected at the end of the day and recycled. Another proposal at Bowater was that a lighter blade should be used to scrape excess china clay from the surface of paper. It is estimated that this idea alone is now saving the company more than £500 a week and Bowater reckons that in the first year the QED programme has brought total savings of at least £35,000.

The QED package is not particularly cheap. The price is based on the number of people employed by a company and it works out at £4 to £5 per head. Industrial Motivation, which holds a franchise from the American designers of the programme, says its chief costs are in promoting the package rather than in producing it. The company adds that it has not been in business for long enough to know what its expected profit margins will be.

Yet Industrial Motivation stresses that the QED package brings a return on outlay in the ratio of 10-to-one—if not more. It also insists that the programme has been most carefully designed and that companies would not be able to obtain the same results if they produced their own cheap scale version of the QED package.

Finance for the smaller companies

IN TIMES of inflation it is particularly important for companies to plan their cash requirements well ahead. It can be costly and sometimes impossible for them to raise cash at short notice under conditions of desperate financial need. Yet historically, smaller companies have paid little attention to capital structure.

These are points made in a booklet just produced by the Industrial and Commercial Finance Corporation which aims to explain to the smaller company the variety of financing methods that are available for the longer-term investment. It states also that medium and long-term capital is more readily available than many small to medium sized companies realise.

First, the book examines the question of what the borrowing capacity of a company can be, explaining in simple terms the significance of a "gearing ratio" and the type of security that a lender of money would look for.

It then goes on to illustrate the different types of borrowing, making note of the "golden rule of borrowing" that long-term capital should be matched with long-term investment, as should "medium with medium" and "short with short." The advantages and pitfalls of choosing a fixed or variable interest rate on a loan are illustrated along with ways in which the financial risk of a project can be assessed. The effects of borrowing on cash flow are also shown — "The impact on a firm's cash flow of using short- or medium-term capital to finance long-term investment can be crucial to the success of the business."

The second half of the booklet includes an illustration in tabular form of the ways in which different types of financing—five-year, eight-year and 15-year loans—would affect a company over a 15-year period.

Borrowing Money for Capital Projects, ICFC, 91 Waterloo Road, London SE1 8XP.

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FRIDAY, MARCH 18, 1977

More apparent than real

THE MOST interesting section of the latest OECD report on the British economy is undoubtedly that which deals with prospects for the period up to 1982, during which there will be an *opportunity* of overcoming past difficulties and simultaneously attaining "stable and satisfactory growth, a sizeable reduction in unemployment and a sound external position." It is also the most apparently controversial, since it seems to favour a line of policy which puts less emphasis than, say, the Bank of England on the need to run large, continuing balance of payments surpluses to finance the repayment of debt.

There is little need to remind economists or politicians in this country of the opportunity which North Sea oil will provide, after another year of fairly severe restraint, to improve our room for economic manoeuvre — largely, though not entirely, because of the way in which it will make the balance of payments a less pressing problem. It may also be, as the OECD suggests, that a shift in the climate of opinion towards longer-term and more stable economic regulation will help to ensure that this greater room is sensibly used. But different options for the policy-makers remain open.

Repaying debt

One extreme course would be to increase home demand rapidly in the hope of bringing unemployment down to a more tolerable figure in a politically convenient time. The OECD does not advocate this, partly because of its implications for inflation and the balance of payments, partly because it doubts whether it is physically possible to restore full employment quickly through expansion of the private sector. On the other hand, it rejects the other extreme course, which would give priority to the repayment of external debt, and recommends a *compromise* policy. This seems to conflict with the opinion expressed in the latest Bank of England *Bulletin*, that "there will be need of a large current account surplus for many years in order to repay the debt which has been incurred over years of deficits."

But the conflict is more apparent than real. The Bank is obviously pointing out the need to repay debt as a check on the enthusiasm of those who would burn the North Sea surplus in a short-lived blaze of consumption and is quite well aware of the difficulties *implicit in a continued* squeeze on consumption or a continuing large payments surplus. It is at one with the OECD in arguing that the opportunity should be used to improve the competitiveness of our manufacturing industry, and the OECD itself assumes that Britain will need to have "a strong *current balance of payments in the medium term* in order ot prevent a recurrence of external crises and to repay foreign debt and other claims."

PSBR target

A somewhat different conflict, which is not spelled out clearly, springs out of the importance which the OECD places on the continuation of the social contract. Both to ease the transition to Phase Three and to increase domestic profits, it seems to *suggest that consumption might* be allowed *to grow* at a somewhat faster rate at the beginning of the 1977-82 period and that this might be brought about by rather larger cuts in direct tax at the bottom and top ends of the scale than might strictly be needed to meet the PSBR commitment.

Whatever there is to be said in logic for a full employment-based PSBR, however, we have not yet finally got over the crisis of external confidence. Since the prospect of effective wage restraint in Phase Three (especially with the recommended overall percentage increase) *is doubtful, and since* union compliance seems unlikely to be won by the aim of higher profits or lower tax on higher incomes, we do not think that the Chancellor should risk *too much overall. If he wants a* bigger *cut* in direct taxes than the estimated PSBR permits, he should raise indirect taxation.

The killing of Mr. Jumblatt

THE ASSASSINATION of Mr. Kamal Jumblatt in the Lebanon is one more reminder, if any were needed, that the political problems of that country have not been solved. His death will probably not bring about a renewal of the civil war, but for that there is one reason only and that is the presence of the largely Syrian, Arab League forces. The Syrian intervention in the Lebanon brought the war to an end, or at least it radically reduced the level of the fighting. What it has yet to do, however, is to remove the causes of the conflict.

Israel

The killing of Mr. Jumblatt shows that conflicts persist. It was the sort of act which anyone determined enough is likely to be able to get away with, however tight the security. Mr. Jumblatt was an erratic man—the leader of the Druze community, a Left-winger and a pro-Palestinian. Although he had recently seemed to have withdrawn from politics, he would undoubtedly have been called upon to play a key role in any process of political reconciliation. There were many who had a grievance against him, and not just from the Christian right. But his killing solves nothing. There will be more violence and more recriminations.

That is the problem the Syrians have to face. They can provide security up to a point, but they cannot put the Lebanon together again. The situation was bad enough even before the assassination. The Arab League forces have done what they could to reduce the fighting by removing the heavy weapons from the contestants, but their freedom of action is limited because in the south of the country they cannot operate too closely to the border with Israel. There the fighting continues between the Christians *on the one side* and the Moslems and the Palestinians on the other. The Christians, at the very least, have an understanding with the Israelis. If the *Arab League were to move in,* it might well turn into something more.

Two possible ways of dealing with the south are under discussion. One is to put in a United Nations or at least international peacekeeping force. The other is to put in a Lebanese force on the grounds that the Israelis could not reasonably object to the *Lebanese trying to restore* security in their own territory. Neither, however, seems likely to work until the forces on the spot have agreed to a truce and of that there is very little sign.

The effects of the continued fighting, even though it is localised, run throughout the country. Reconstruction of even the pacified areas, for example, depends largely on outside funds. It is not realistic to expect much of a flow so long as the conflict is so evidently unresolved. Nor is there much chance of a political reconciliation so long as Christians, Moslems and Palestinians continue to fight in the south. Indeed, while they do fight, the probability is that there will be more acts like the killing of Mr. Jumblatt elsewhere.

Partition

The Syrians thus appear to be faced with two almost equally unattractive alternatives. The first would be to risk incurring Israeli wrath and, along with the Arab League, seek to sort out the situation in the south by themselves, if necessary by a considerable show of force. The second would be to allow the present situation to continue, leading perhaps ultimately to the *de facto* partition of the country. Ironically, one of the reasons they went into the Lebanon in the first place was to prevent just that.

John Wyles, recently in Tokyo, assesses the future of the shipbuilding industry there

Why Japanese shipbuilders must not try harder

IMAGINE for a moment that Britain is the proud possessor of a major industry whose performance and quality of product could enable it to increase its 50 per cent. world market share with virtually no extra effort. What would then be the reaction in this country if foreign rivals, unable to compete in the market place, banded together politically and demanded that Britain should radically curb its success *at the expense of the foreign* earnings and employment prospects of this particular industry?

If the industry were facing a contraction anyway because of a world recession, the trade unions would be quite unambiguous in telling foreign rivals where to go. The industry itself, if it were privately owned, would strongly contest any Government attempt to moderate *its performance.* The scene would probably be similar in most West European countries. They all, therefore, ought to be grateful that Japan orders its affairs rather differently.

European complaints

After much agonising and occasionally tense exchanges between industry and government —carefully hidden from the outside world—Japan was able to produce in Paris last month a set of proposals which went some way towards meeting European complaints. These were that Japan's share of the shrinking volume of world shipbuilding orders has increased, is increasing and ought to be *diminished. Broadly, Japan* promised to raise its prices for new ships, currently 30 to 40 per cent. below Europe, and to pull out of competition with countries whose shipbuilding *industries are suffering "exceptional difficulties."* Shortly afterwards, Japanese yards were instructed to raise their prices by 5 per cent.

EEC governments are still pondering the true value of these proposals. But from Tokyo's point of view they embody a will to plan the future of Japan's shipbuilding industry on the basis of maintaining its traditional 50 per cent. share of the world market. What is exceptional about this is that without such restraint Japan's share of world orders could increase to 70 per cent. and thus its 250,000 shipbuilding workers and 40 to 50 major companies would be better sheltered from the worst effects of the world recession.

There is therefore an element of sacrifice in Japan's position. Not that the Japanese stress this point either in the Organisation for Economic Co-operation and Development or in conversations with visiting foreign journalists. Because it is the most strikingly successful modern industrial nation in the world, there is a tendency to assume that Japan conducts its diplomacy along "Western" lines where, at times, every possible argument is deployed *to support a defensive position.*

Negotiating tactics

On shipbuilding, the Japanese have not stressed the difficulties facing their own industry and have merely emphasised that manhours are being cut back to 65 per cent. of 1974 levels. A possible explanation of this reticence was offered recently in an English language newspaper article published in Japan by Mr. Hirosuke Dan, a senior official in the *Ministry of Finance.* Discussing Japan's conduct of its trade discussions with the EEC he suggested that the country's negotiating tactics were to some extent weakened by "the Oriental virtue of modesty."

"Since childhood the Japanese are taught to be ashamed of making excuses for their failures. Europeans and Americans, meanwhile, believe in taking whatever advantage there is by complaining where it is possible. If a complaint fails to produce effect, they think they lose nothing."

Increasing complaints

There is a discernible tone of superiority here which has in some ways made it difficult for Tokyo to bring itself to accommodate the increasingly shrill complaints from Europe about Japan's trading performance. On shipbuilding, one does not have to scratch very hard beneath the surface to find a vein of contempt in Tokyo for Western Europe's apparent inability to prevent the flood of orders from European shipowners which took the Japanese share of orders placed in OECD countries to above 90 per cent. in the last quarter of last year. A senior executive at Marubeni Corporation, *one of Japan's major* trading companies, expressed a common view in Tokyo that industrial weakness brings its own penalties and that the therapy is quite simple.

"The EEC countries are selfish," he said. "They should make more efforts to decrease their building costs and to rationalise; they should work hard to make their shipyards competitive before complaining to Japan."

Reduced demand

Similar opinions have been voiced at the Shipbuilders Association of Japan (SAJ) which speaks for the country's 22 largest shipbuilding companies and at the Co-operative Association of Japan Shipbuilders which represents some 112 medium-sized and small yards. The shipbuilders contrast the reduction in man hours to be worked in their industry—to cope with the vastly reduced world demand for ships between now and 1980—with Western Europe's apparent insensitivity to the strains the Japanese are suffering and, furthermore, with its demands for even larger sacrifices by an industry whose competitive superiority is self evident. These views are largely shared by the industry's sponsoring government department, *the Ministry of Transport, and* they are an important element in evaluating the proposals put in Paris last month, or any other Japanese attempt to accommodate European demands.

Smaller yards

Much has been made in Europe of the fact that no shipyards are actually scheduled for closure under Japan's plan to reduce man hours worked. But in Tokyo there is a quiet resignation that closures and bankruptcies will be inevitable among some of the smaller yards as the industry drops from an output of nearly 17m. gross tons in 1974 to 6.5m. gross tons by 1980. Beyond hints that 30,000 jobs may disappear in three years, it is by no means clear how much the Government will allow the market to determine shipyard closures and whatever rationalisation does *take place, will be subject* to constraints. In the first place every effort will be made to preserve the permanent employment system which, as the cliché has *it, takes care of workers* "from womb to tomb." In shipbuilding about 183,000 of the 256,000 workforce are permanent employees and the rest are subcontractors.

It is inconceivable to everyone in Japanese Shipbuilding and *government* that the permanent employment system could be abandoned. Its preservation is thus a cornerstone of the industry's planning. There is, nevertheless, some *room for manoeuvre* which is now being fully exploited. Natural wastage will account for a 3-4 per cent. annual cutback in the permanent workforce while the *industry's* 73,000 sub-contract workers will bear the brunt of the redundancies. Workers who lose their jobs as a result of Government policy are eligible, under long standing arrangements, for higher than average unemployment allowances. Most members of the SAJ are not heavily dependent on shipbuilding for their profits because they form part of diversified industrial groups whose other activities should be able to absorb any surplus among the permanent shipyard workers.

Surplus labour

IHI Heavy Industries, Kawasaki Heavy Industries and *Mitsubishi Heavy Industries*, for example, have either started or are planning redevelopment moves within their empires. Mitsui Shipbuilding and Engineering takes some 70 per cent. of its revenues from shipbuilding and is therefore more dependent upon it than many of the other large groups, but it is still confident of weathering the recession by transferring employees to its chemical engineering, platform and rig manufacturing activities. Moreover, the company is spending more than £65m. in the coming year to examine the feasibility of various diversification proposals. Committed *by* the national shipbuilding plan to cutting back man hours to 65 per cent., a senior Mitsui executive told me that the company could even go down to 60 per cent. *before the problem* of absorbing surplus labour started to become acute.

Sensitive employers

Medium-sized and smaller yards lack the protection of the larger groups and therefore are *faced with more critical problems* in keeping their 25,000 directly employed workers occupied.

Some communities are almost totally dependent on their local shipyard for employment and it is most unlikely that the Government will allow such socially sensitive employers to go to the wall. To survive, some of these companies will move into shipbreaking, bridge building and related steel construction activities with the help of a Government scheme to be applied to shipbuilding shortly which provides low interest loans for diversification to industries suffering recession.

Pretence dropped

In the past year, it has been these small and medium-sized shipbuilders who have been most frequently the subject of European charges of unfair price cutting. During OECD discussions on the subject, Japan's negotiators tarnished their credibility by insisting that the Government had no direct control over the shipbuilders. This pretence has now been dropped since the power clearly exists through control of Export-Import Bank funds and an export licensing system. But the Government still prefers to rely on the traditional Japanese practice of "*guidance and advice*" *rather than direct intervention.* The mysterious relationship—commonly labelled Japan Inc.—between Japanese Government and business, is slightly less obscure in shipbuilding where *all major policies* are agreed and co-ordinated by the Council for the Rationalisation of Shipping and Shipbuilding. Manned by Ministers, civil servants, and representatives of the *two* industries and its trade unions, the Council has been an almost perfect mechanism for policy harmonisation.

National flag

Since its creation in the mid 1950s the Council has planned and implemented developments which established the shipbuilding industry as the world's largest and Japan's shipping fleet as the largest national flag (only Liberia is bigger, but that is a flag of convenience). It was the Council which recommended the cutbacks now being implemented, and it is the Council which has largely determined Japan's negotiating position in the OECD. But its orchestrations do not always produce harmony and there are clear signs that Japan's new conciliatory approach within the OECD represented a defeat for some hard-line s[…] on the Council by th[…] of Foreign Affairs. T[…] greatly fears the w[…] implications of a b[…] building battle with[…]

This background question marks ove[…] value of the concessi[…] in Paris last mont[…] effectiveness of the […] price rise which Jap[…] builders are now i[…] According to a senio[…] the Ministry of Tra[…] price rise will "s[…] amount of orders f[…] Japanese yards." […] his doubts whethe[…] Europe would reap […] Just as a high cap[…] ment and a relati[…] labour force prov[…] spring for Japanese […] ing's rise to domina[…] 1960s, so the South […] the Taiwanese are […] *similar advantages* […] competitive threat w[…] takes more serious[…] rivalry with Wester[…]

Shipbuilding is a[…] test of Japan's abilit[…] a *structural* contr[…] highly successful […] which is now too la[…] *market.*

Great[…] growt[…]

Pessimistic obse[…] shipbuilding as the[…] of a wider problem[…] Japanese as they t[…] to economic growth […] than 10 per cent. a[…] of considerably gre[…] which was abruptly […] the OPEC oil crisis. […] whether Japanese […] remain cohesive w[…] fewer material re[…] benefits. But this […] appears to underm[…] matism and a[…] mobilise around a[…] tives which must be […] many Western gov[…] they try to cope wit[…] sectional demands. […] banker who has […] *Japan for several* […] that only one develo[…] really cloud Japan's […]

That would be the […] tion of the presen[…] based trade union st[…] its replacement b[…] organisations. He s[…] of this happening, a[…] the shipbuilding and […] lems would be ov[…] cause "the Japane[…] genius for working […] solve any problem. […] very adept at tigh[…] economic belt and […] ties look like rema[…] try, company, indiv[…]

MEN AND MATTERS

Beyond Cadby Hall

After a considerable period of financial agony, J. Lyons *is now* going for its own bit of Board re-shuffling—less dramatic than those causing dissension elsewhere, but significant. Lyons was long dominated by the Salmon and Gluckstein families, a domination reduced in two distinct stages with the second announced yesterday.

The first was in the mid-sixties when Len Badham, who had been with Lyons since just after the last war joined the Board. He was one of the first non-family members appointed, with the description (shades of things to come) of employee director. The "employee" part was later dropped.

The second shift of power yesterday involves Brian Salmon, 42 years with the company and eight years as chairman, stepping down as chairman from the end of March a couple of months before he leaves the Board at the normal retiring age of 60.

His brother, Neil Salmon, deputy chairman and present managing director, is to move up to the chairmanship, and the managing directorship goes to Badham. There is planned to be one more phase in the changing of Lyons: the appointment of external non-executive directors. *As Badham put it last night, the* idea is to seek "outsiders with wide commercial knowledge beyond the boundaries of Cadby Hall."

"I'm sorry, madam, the Sale was for Tiny Rowland only."

EEC ducked

The German taste for duck falls a long way behind the country's addiction to every possible permutation of pig meat but there is a steady market rather larger than that in the U.K. The difference is that the British market of between 9m. and 10m. birds a year is now dominated on the retail front by a branded British product, Cherry Valley, whereas in Germany supply is often localised with Hungary and Poland supplying the bulk market at very low prices.

However, the German housewife is soon to be wooed by the Lincolnshire product. Cherry Valley is one of the companies in the brood run by the ebullient Joseph Nickerson; among its specialities is the supply of duck tongues and webbed feet for those partial to such delicacies in the *Far East.*

Cherry Valley, determined to do well in Germany, is now completing a new £1.3m. processing plant near Caistor which will meet EEC regulations and push the maximum throughput of birds from 1,800 to 3,000 a day.

In recent years, the company developed the sale of duck portions in order to keep up the *total volume of birds being sold.* Rearing time has been reduced from 56 to 47 days, egg laying improved and "hatchability" increased.

However, the company is unlikely *to diversify quickly into* more retail food lines. Rather the group as a whole seems to be pursuing its role as a genetic engineer, both on the animal and vegetable side, and it has recently purchased Cotswold Pigs, which also sells breeding stock and know-how. Having mastered ducks and pigs it would not be surprising if Cherry Valley soon turned its attention to some other species.

Going cool on CHP

Was it mere chance that made Dr. John Cunningham, the Minister responsible for saving energy, choose Bristol when he spoke philosophically about the difficulties of dragooning the population of a British city into accepting district heating instead of having a choice of fuels? Bristol happens to be the constituency of his boss, Energy Secretary Anthony Wedgwood Benn, well-known for his defence of democratic principles and the right of everyone to have a say.

Those who have been calling for Britain to convert superannuated power stations to district heating found naught for their comfort from an array of academic and industrial talent which yesterday *produced* a highly numerate study—perhaps the *first* ever—of Combined Heat and Power (CHP) from power stations.

First everyone took pains *to establish* that it was a *unanimous* report. Then they all asserted that CHP made sense only on a pretty big scale, for the bigger British cities, for instance. Then they admitted *that even a big scheme* made no economic sense on to-day's terms unless you forced people to accept it, or you were prepared to subsidise the scheme massively for a decade, to the point *where it could undercut gas.*

Without either subsidies or compulsion, said Walter Marshall, the Energy Department's ebullient chief scientist, "if electricity launched CHP, it *would be the duty of British Gas to stamp it out.*"

The protagonists for CHP fought back vigorously. But those who previously had fought with what Professor Jim Cassels of Liverpool University called "passionate letters to newspapers," this time found themselves contesting hard facts and figures. Cunningham put the *situation sternly*: most people *could choose now from* two or three fuels, but even those with no choice at present would still have to be told to rip out what they had if the Government were to push ahead with CHP for their district.

Watch out

Manpower Watch is a trendy description for a process by which the Department of the Environment and three associations representing local authorities monitor quarterly the numbers in local government.

These days, of course, signs of decline are eagerly looked for in the figures, and Manpower Watch duly reported yesterday a decrease of 0.3 per cent. between December 1975 and December 1976.

The actual fall, in full-time jobs and full-time equivalents, was put at 6,641, with, for instance, 310 fewer traffic wardens. *But is that* really the right way of looking through the telescope? For there was an addition of no less than 9,189 jobs under the Jobs Creation programme which got going *during 1976. That* leaves a grand total of 2,548 *extra* posts, however created.

Observer

POLITICS TO-DAY: EUROPEAN ELECTIONS

BY DAVID WATT

The danger of a constitutional fiasco

DEVOLUTION, direct ... to the European Par- ... Having emerged, ... ink and staggering, ... constitutional fiasco, ... ernment is now in ... nger of stumbling into ... he Cabinet, which met ... for its second session ... European Parliament ... learnt this lesson. The ... inister and his col- ... eem to have taken the ... onable view that the ... nt could scarcely sur- ... second parliamentary ... nd the discussion has ... been directed on all ... what is known, in the ... f the military as ... imitation."

... not a particularly ... m of political activity. ... ervative moralists will ... take it as further ... t Labour has lost all ... ple and is hanging on ... of a kind of dogged ... sm. But the more one ... he situation, from the ... nt's point of view, ... dly prudential eye the ... comes to the conclu- ... n this case virtue and ... st if not exactly coin- ... least march hand in ...

... first place it is really ... at this stage to do ... Even the most har- ... -Europeans are now ... to concede this fact. ... eight EEC countries, ... cepted that if one ... fails to implement ... ctions, the rest are ... obligation to begin ... ss either, are not ... et the British Gov- ... ff the hook on which ... itself quite volun- ... December 1975 when ... Wilson gave the commitment that Britain would use her "best endeavours" to get legislation through Parliament in time to meet the first election target date of May-June, 1978.

Most candid observers of the EEC scene will admit privately, though they may feel it impolitic to do so in public, that if that target date slips by one year or even two, that would not be a catastrophe. After all, the European Parliament itself originally adopted a target date of 1980 which was only advanced because of pressure from one or two EEC Governments. Nevertheless, Britain cannot hold up the whole process indefinitely without suffering important penalties, even if they are only of a negative kind. The support of France, Germany and some of the smaller countries on matters directly affecting British interests is likely to be much less freely given to the country which can be portrayed with however much hypocrisy as an anti-European delinquent.

Folly

Nearer home two other important considerations come into play. The Liberals are no doubt bluffing to some extent when they say that the introduction of satisfactory legislation on direct elections is part of the price of their continued support to the Government. It would be an act of considerable folly on the part of a party in as weak a position as Mr. David Steel's is to bring down the Government deliberately at this stage. But in Parliament, accidents will happen, especially when morale is low and a situation in which the Liberals are grudging and unreliable allies is appreciably more nerve-wracking for Mr. Callaghan than if some deal, however unspoken, has been struck.

Less tangible, but even more important is the question of the Government's general image in the country. It is all very well for Mr. Eric Heffer and other ferocious anti-Marketeers to thunder that "the British public has no enthusiasm for European elections" but the last opinion poll sounding last November in fact showed 57 per cent. for and 22 per cent. against (with the rest don't knows). In any case there is the spectacle of a nerveless, paralysed Labour Government to be considered. Jam for Mr. Heath; jam, even, for Mrs. Thatcher.

All this amounts to a strong presumption that a Bill setting up the machinery for direct elections in some form must be introduced in this session of Parliament. If that can be achieved, then the damage to the Government's relations with its allies and its standing in the country will indeed have been limited—even if it is not possible to meet the May-June deadline. On the other hand there is no point introducing a measure which has, like the Devolution Bill, to be abandoned because the votes are not there in the House of Commons. That would be a blow to Government prestige far worse than not introducing a Bill at all. But where are the votes to be found?

Certainly they do not exist within the Labour Party in favour of direct elections conducted under any electoral system known to man. At least 20 hard-core anti-Marketeers (most on the Left) will refuse to give any Bill of this kind a second reading on the ground that it would be supranational in effect. Others (again mainly on the Left) make the practical objection that direct elections are likely to lead to the growth of a British Social Democratic party, based on the European Parliament, well-heeled with Community funds and independent of the Labour Party's arthritic constituency machinery.

Another considerable tranche of Labour MPs on all sides of the Party would oppose one or other of the main forms of electoral system. Some believe that a conventional, first-past-the-post race in new single-member super-constituencies would be a disaster for Labour which would suffer the humiliation of gaining no more than five or 10 seats out of the 81 available because of massive Labour abstentions. Others would refuse to back any system of proportional representation because they believe that it would be the "thin edge of the wedge" and would lead to the adoption of PR in Westminster elections.

Terry Kirk.

Mr. Ian Mikardo (left): Labour's Left would get a special Party Conference called. Sir Peter Kirk (right): some Conservatives would support a regional list system.

Some of these groups might be bought off by tinkering with the Bill in one way or another. There is nothing, of course, to be done about the principles of anti-Marketeers. But it might be possible, in theory, to meet the worries about a new rival to Labour by adopting Mr. Peter Shore's suggestion that you can only become a Euro-MP if you were already a member of the Westminster Parliament. The problem of Labour abstentions under a conventional system might also be solved, in theory by insisting that European elections should be held at the same time as Westminster elections, in which case Labour representatives in the European Parliament would benefit from the normal 60 per cent. or more turn out. Objections to PR are more difficult to meet, but most objectors to the PR principle would probably be softened by the adoption of regional party lists on the ground that a system which put the elections on a quite new geographical footing could be more easily regarded as *sui generis*.

Yet the fact has to be faced that none of these amendments will allow the Government to get its Bill on Labour votes alone. There will always be too many opponents and, as in the case of devolution, one set can only be placated at the cost of enraging the others still more. It follows, therfore, that the Government must put forward proposals which can be accepted by a sizeable section of the Conservative Party or if not wholly accepted are at least proposals of a kind which the Conservatives would be regarded on the Continent as being unreasonable in turning down.

At the same time there is no point in Mr. Callaghan putting forward a scheme which Tories could back wholeheartedly but which would tear the Labour Party apart. A majority of the Parliamentary Labour Party must support what is proposed, not only because of the Parliamentary difficulties of getting the Bill through but because the left-wingers, like Mr. Ian Mikardo who dominate the Labour Party National Executive and its International Committee will almost certainly succeed in calling a special Party Conference on the subject. There would be ugly scenes at a jamboree of this kind, because the Left desperately needs the Common Market as an issue with which to beat the Right; but it would be much more difficult to raise the temperature if the Government's proposals were already seen to be acceptable to most Labour MPs.

Key questions

These criteria do not leave much room for manoeuvre. The Conservatives will certainly unite in opposing anything which is directly against the Common Market directive governing the elections. This rules out "fiddles" like putting the election on the same day as a general election. They will also vote en masse against Mr. Shore's compulsory "dual mandate." The key questions are (a) whether they would unite against all forms of PR and (b) whether they would refuse to help the Government bring in a guillotine.

The Shadow Cabinet is at present divided on both issues and their followers are certainly no more united. As things stand my guess is that quite a large number of Conservatives, including Sir Peter Kirk, the leader of the Conservative group in the European Parliament, would vote for a Bill based on a regional list system, though Mrs. Thatcher herself is strongly opposed. Free votes might well be the way out. On the other hand there will be a ferocious tussle before Conservative MPs are permitted, far less encouraged, to help the Government push a Bill through on time.

But what about the Labour half of the equation? The Home Secretary himself is a solid first-past-the-post man but if he cannot persuade Mr. Whitelaw to let him rig the system so as to give Labour a more respectable result he will be hard pressed to get a majority of the Parliamentary Labour Party to back the thing. In the end it is beginning to look as if the regional list version of proportional representation may offer a better trade-off between Labour and Conservative support, though the Prime Minister and a number of others will have to overcome an instinctive aversion to it.

The forthcoming publication of the (Green) White Paper looks pusillanimous and foot-dragging—and in a way it is. But at least it will enable some of this necessary horse-trading to take place and some of the realities to sink in. Until these things happen, the issue can only end in another Parliamentary disaster which would harm the European cause as much as the Government.

Footnote: Connoisseurs of political irony may like to note that Labour's special conference (cost, approximately £7,000) can legitimately be paid for out of the £45,000 made available to the Party from European Parliament funds for "political education on European elections."

Letters to the Editor

... III pay

... commodities must rank as one of the great gaffes of the decade, for it is surely in this field above all that Britain through its traditions and institutions is uniquely equipped to make a major contribution to the welfare and development of the Third World. That we should have lost that lead at all is deplorable; that we appear to have done so by crass neglect, as apparently asserted in the Select Committee on Overseas Development's report, is quite scandalous.

As you pointed out, the decision which most affects the setting up of the common fund will come from Washington, not London; thus we have not only displayed a lack of political will, but also a most unbecoming meanness of spirit, towards the aspirations of the world's poorer nations.

Yet if the smokescreen of the EEC position on the common fund is as easily dispersed as you suggested, Britain can perhaps even at this late stage regain some of its stature in the eyes of the Third World by adopting a more constructive attitude. The Foreign Secretary might do well to adopt this as a priority area for study; for it is now most unlikely that the sun will ever set on legitimate demands for a new international economic order.

D. W. Black.
96, Craig Road, Glasgow

Transport in London

From the Leader, Greater London Council

Sir,—Horace Cutler continues his sniping at the Labour GLCs and the Labour Government's subsidies to London Transport, in your letters column, March 15. We know that he and his colleagues in Parliament favour drastic cuts in those subsidies.

Such cuts would result in: (1) a substantial reduction in London Transport staff, with drastic consequences for bus and tube services; (2) a cutback and shortening of bus routes with the consequent confusion and inconvenience to passengers; (3) an ominous threat to the free and concessionary travel enjoyed by nearly 50 per cent. of Londoners.

London Tories talk about achieving massive savings by tinkering with the system; 80 per cent. of London Transport's revenue expenditure results from wages and associated payments. Dramatic savings mean substantial staff cuts and fewer buses and tubes—in fact exactly what we inherited from Mr. Cutler and his friends in 1973.

(Sir) Reg Goodwin.
County Hall, S.E.1.

British Leyland break-up

From Mr. A. Newman.

Sir,—With reference to the letter from Mr. David Walkden (March 14) I would strongly disagree with his thoughts of building yet another monolithic structure as a counter to one already the cause of the present problem. To raise one giant to fight another will not solve BL's current dilemma but add further to the frustration.

Now referring to Mr. John Redwood's letter (March 10), I would support his point of breaking up BL into smaller units. A number of industrialists I have spoken to recently all agree that "the smaller the unit, the better are industrial relations"—for management gets a better chance to know the workforce. This workforce is then more able to identify itself with and take a pride in the particular car it manufactures.

The forming of BMC then BL follows the maxim of the 1960s "the larger the size, the greater the economies"—times have now changed and this should be forgotten in favour of smaller units and easier negotiations with the workforce. It appears that the only car manufacturers who have not grown into monolithic structures by merger, that is, Vauxhall and Ford U.K., are the ones who can compete in to-day's markets and survive.

Once BL has been broken back into smaller units, such as those of the marques of cars manufactured, that is, Morris, Austin, Rover, Jaguar, Triumph, Leyland trucks and buses, etc., it would not be surprising if those which were found to be not viable were Austin-Morris, either separately or together. Thus having identified those not making adequate returns on the capital employed, a solution would be that much simpler.

A. H. Newman.
The Chestnuts,
32, Court Road, Eltham, S.E.9.

Unwittingly political

From the deputy managing director, Chrysler U.K.

Sir,—I should like to clear any misunderstanding which may have arisen over my appearance in a film used on all television channels on Wednesday evening, March 16 as part of the Labour Party's party political broadcast.

I have never at any time given my permission to the producers of the film or the television networks to use this film in support of political objectives.

As deputy managing director of Chrysler U.K., numbering amongst my responsibilities the personnel and industrial relations functions, it would clearly be most unprofessional of me to associate myself publicly with any political party either of the Right or the Left.

P. L. Griffiths.
Coventry.

The effects of multinationals

From Mr. W. Whalley.

Sir,—Geoffrey Owen (March 10) touches on the topic of American-owned concerns manufacturing in this country. Possibly from diffidence or complexity this is a subject seldom treated in relation to British economy.

It seems obvious that a British owned concern is more beneficial than a foreign owned one, since profits and service charges are disbursed in sterling in this country instead of being remitted abroad in dollars. The foreign concern selling wholly in the British market seems to be a dead loss to the economy. Even the employment it provides would otherwise come from a British firm.

If, as most do, the foreign concern supplies both home and export markets from its British factories the situation seems somewhat more favourable. The exports generate foreign exchange. Undoubtedly this requites the import content of the raw materials utilised in manufacturing the finished product. Clearly it requites also the import content of the exporting workers' personal consumption, with something left over for those manufacturing goods for the home market. The abstraction of profits and service charges from the foreign exchange thus generated is a direct deduction from that available for meeting the needs of that large section of the community who are not engaged in exporting at all. These nevertheless still consume imported goods and enjoy holidays abroad.

Our economic position is precarious with half our food and the greater part of our raw materials being imported. Formerly many of the sources of our imports were British owned which eased the burden on foreign exchange. Surely the whole question of the effects on our economy of foreign ownership of the means of production merits an examination, rather than the implicit assumption that it must necessarily be good for us in the overall picture.

W. C. R. Whalley.
105 High Street,
Hungerford,
Berkshire.

Milk and mail charges

From Mr. A. Thomson.

Sir,—How is it that a dairy farmer, ten miles from here, can produce, bottle, and deliver a bottle of milk, weight approximately two pounds, for eleven pence while the Post Office requires no less than forty-five pence for local delivery only, of a parcel of equivalent weight?

A. Stuart Thomson.
Auchraw of Mailer, Craigend,
Perth.

Cream with everything

From Mr. R. Farquhar-Oliver

Sir,—It was heartening to read in your newspaper (Farming and Raw Materials page, March 15) that at least some people in high places are prepared to stand up for British traditions.

I refer to Dr. Strang's absolute rejection of an EEC proposal that our custard creams, cream crackers and even our ice cream should have cream dumped into them. The foreigners evidently don't realise that the proper thing to make ice cream of is emulsified sausage-residues; but John Bull does realise it and the sooner that is brought home to them the better.

R. Farquhar-Oliver.
23, Gledhow Gardens, S.W.5.

Carry on doing the pools

From the Managing Director, Plan Invest Group.

Sir,—A great deal of publicity has been given to Mrs. Vivien Nicholson since her late husband won a substantial sum of money on the football pools in 1961. The tragedy which has dogged this unfortunate woman over the years was dramatised by the BBC on Tuesday evening in the play, "Spend, Spend, Spend."

By now, many people must have been given the impression that sudden wealth can bring nothing but unhappiness and misery; so for the benefit of those readers who enjoy filling in pools coupons, making every Saturday night a potential watershed in their lives, may I offer some reassurance.

It is my experience that the great majority of winners make the transition smoothly, even serenely, and draw enormous comfort and enjoyment from the security which a large sum of money can bring. Not only do they accept the advice given to them, but in a remarkably short period of time they come to understand and appreciate it, *whatever* their background. In short, they do all that is sensible and prudent to preserve their wealth and to care for their families and in the main, "live happily ever after."

Peter R. D. Hayes.
National Westminster House,
Market Place,
Macclesfield, Cheshire.

Sovereign immunity

From Mr. A. Newburg

Sir,—With reference to your legal correspondent's excellent article regarding the present state of the sovereign immunity doctrine (February 3), it may be of interest to note that the Foreign Sovereign Immunities Act of 1976, which became effective in the U.S. on January 19, 1977, has in effect codified the restrictive principle of sovereign immunity.

The new statute, which was enacted pursuant to the recommendations of the Department of State, provides among other things that a foreign state shall not be immune from the jurisdiction of courts in the United States in actions based upon a commercial activity carried on in the United States by the foreign state, or upon an act in the United States performed in connection with a commercial activity of the foreign state elsewhere, or upon an act performed outside the United States in connection with a commercial activity elsewhere if the act causes a direct effect in the United States. The statute also specifically provides that the commercial character of an activity by a foreign state shall be determined by reference to its nature rather than to its purpose.

Andre W. G. Newburg,
Cleary, Gottlieb, Steen and Hamilton.
One State Street Plaza,
New York, U.S.A.

Grin and bear it

From Mr. H. Gilbert-Rolfe.

Sir,—I read with a wry smile that women are now attacking the EEC on the question of price increases.

As a member for several years of an anti-common market organisation I can remember how all political parties emphasised the benefits of joining. Food was to be cheaper, our car sales would dominate the market, Britain would sit at the head of the table, etc.

People of this country thought that they would get something for nothing. The political parties thought that they—in power at the time—would stay forever.

We now find the difference. Are these same supporters, protagonists now prepared to withdraw and if they are how can they?

The argument that as a cohesive European community we could command some respect has also proven wrong. Japanese dump their produce, America couldn't care less and we are part of a stupid and decrepid "power group" tilting at windmills, yet hopeful of stopping "communism," whatever that is.

We have the Common Market. We must grin and bear it. The clock cannot be put back.

H. W. Gilbert-Rolfe.
9, Breedon Avenue,
Southborough,
Tunbridge Wells, Kent.

... economic

To-day's Events

GENERAL

Retail price index for February published by Department of Employment.

Confederation of British Industry representatives meet Mr. Roy Hattersley, Prices Secretary, on Government's proposed prices policy.

British Leyland due to announce year's results.

Dr. Guido Brunner, EEC Commissioner for Research and Energy, ends two-day talks on nuclear fuel supplies with Dr. James Schlesinger, White House energy adviser, Washington.

Mrs. Shirley Williams, Education Secretary, speaks at education standards regional conference, Birmingham.

Prime Minister presents prizes at Medical Teaching Centre, Cardiff.

Two-day annual meeting of Conservative Central Council opens, Torquay.

Institute of Personnel Management two-day conference on Bullock Report ends, London Hilton, W.1. Speakers include two members of Bullock Committee: Professor Bill Wedderburn, Cassel Professor of Commercial Law, London School of Economics; and Mr. Clive Jenkins, general secretary, Association of Scientific, Technical and Managerial Staffs.

Sir Robin Gillett, Lord Mayor of London, attends annual dinner of Anglo-Austrian Society, House of Commons.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' motions.

OFFICIAL STATISTICS

Gross domestic product (fourth quarter, provisional).

COMPANY MEETINGS

Glasgow Stockholders Trust, Glasgow, 11. Leyland Paint and Wallpaper, Leyland, 12.30. Pyke (W.J.), 16 Berkeley Street, W., 12. Tace Essex Hall, W.C., 11. Viking Oil, Edinburgh, 12. Wiggins Teape, Basingstoke, 12.

MUSIC

Organ recital by Peter Moorse, St. Paul's Cathedral, 12.30 p.m.

Chamber concert, directed by Yona Ettlinger, Guildhall School of Music and Drama, John Carpenter Street, Victoria Embankment, E.C.4., 1.10 p.m.

COMPANY NEWS + COMMENT

Hepworth Ceramic climbs to peak £18.85m.

Turnover of clayware and refractory products manufacturer, **Hepworth Ceramic Holdings**, advanced from £137.37m. to £162.42m. during 1976 and profit was a record £18.85m., compared with £12.88m., subject to tax of £9.81m. (£6.54m.).

At halftime profit was up from £6.03m. to £9.03m.

Stated earnings per 25p share for the year increased from 6.37p to 9.01p. Dividend total is the maximum permitted 2.12839p (1.9349p) with a *net final* of 1.12839p.

Profit is struck after depreciation of £6.12m. (£5.47m.), interest £0.55m. (£1.7m.) and includes share of profit of associates £57,000 (£74,000). In 1975 there was an extraordinary debit of £0.25m.

The 1976 attributable balance comes to £9.04m. (£6.08m.) and *£6.8m. (£4.16m.) is retained.*

The clayware division contributed a pre-tax profit of £5.73m. (£5.09m.), the refractories division £5.03m. (£3.47m.), the industrial sands and minerals division £4.61m. (£1.99m.) and the plastics division £1.90m. (£0.94m.). The group's two remaining *divisions*, foundry resins and equipment and engineering and miscellaneous, produced increased profits of £1.40m. (£1.34m.). *Exports from* the U.K. amounted to £19.9m. (£19.34m.).

Mr. John F. Booth, chairman, states that the group's performance in 1976 is regarded as very satisfactory particularly since the first half difficult trading conditions continued throughout the year as a whole.

The overall result is due in no small measure to the Board's policy of sustained growth, maximised efficiency, curtailing of unprofitable activities and improving general liquidity, he adds.

Mr. Booth said that the current trading outlook and general economic situation remained poor but the directors will pursue the policies enumerated in the past.

● comment

Hepworth Ceramics has come in with a 46 per cent. profit jump—*right up to expectations. Yet,* after a gentle rise, over the latter trading days the shares shed ½p to 53½p where the p/e is 5.8, a *full three points below the industrial* average. This is despite a dividend yielding 6.2 per cent., four times covered. Moreover, the *new U.S. acquisition, clay pipe* maker W. S. Dickie, will start contributing immediately to profits, and its manufacturing *capacity is half that of Hepworth's* itself, the largest pipe clay maker in the world. The mineral grinding operation, a new spinoff from industrial sands, has produced 40 per cent. of the total profit growth and is only just getting under way. The refractories division has put on 45 per cent. despite a worldwide steel recession which is now beginning to come right. And even the clay pipe side has added 13 per cent. at a time when the construction industry is in the doldrums. The company is also well placed to safeguard its future position; it intends to spend £18m. this year on plant replacement (funded from cash flow) and it spends £2½m. per year on research and development.

INDEX TO COMPANY HIGHLIGHTS

Plantation Hldgs. up to £3.52m.

AFTER *interest* charges down from £211,000 to £139,000, profit for 1976 of **Plantation Holdings** increased from £2.26m. to £3.52m. subject to tax of £1.66m., compared with £1.01m.

At halfway profit was up from *£0.71m. to £1.21m.*

For the year stated earnings were 4.7p (3.3p) and the final dividend is 1.0905p net for a maximum permitted 1.9505p total, against 1.7732p.

Turnover was £27.15m. (22.96m.). There were extraordinary credits amounting *to £1.92m. (£0.22m.* debits) and minorities of £2.16m., compared with £0.14m.

Of profits, £2.14m. came from the Malaysian plantations and £1.27m. from the U.K. companies.

Both rubber and palm oil prices *increased during the year,* but with rubber ending below its best. The improved prices, combined with exchange rate changes, *resulted in* record profits from these interests, say the directors.

A substantial contribution was made by the Scientific Instruments *Group, which, following reorganisation* last year, increased its profits from £383,000 to £847,000.

Light engineering had a difficult year, particularly during the second half but achieved profits of £520,000 against £583,000.

Margins in the consumer and video group remained under pressure throughout the year and demand was erratic. Product *ranges have been* rationalised at some cost in stock write-off, with an overall loss of £94,000.

● comment

Several important divisions came right for **Plantation Holdings** in 1976. The major plantations side benefited from the improvement in palm oil prices and the fall of sterling, while scientific instruments continued its rapid growth. The strategy now appears to be to reduce the importance of the plantation earnings and find a cash generating business which will feed the successful, but cash-hungry scientific instruments division. The company will thus join the ranks of the unfashionable in becoming a conglomerate. One consequence of this status is that the freedom from dividend restraint which some plantation companies now expect to enjoy *will not be available. Another is* that the company will not be attractive as a take-over target, so the large stakes held by Pahang and Hutchinson, *if they are sold,* will probably go at a discount to the *market price rather than a* premium. The shares at 39p yield *7.9 per cent. on a p/e of 8.1.*

Gibbons Dudley advance

SECOND HALF 1976 pre-tax profit of **Gibbons Dudley** increased by more than £1m. to *£2.17m.* (£1.08m.), lifting the year-end total to a record £3.89m., compared with £2.54m.

Net final dividend is 2.46675p for a total of 3.3605p (3.055p) per 25p share, and a *one-for-two scrip* issue is also proposed.

	1976 £000	1975 £000
Turnover	36.549	25.596
Refractories	11.652	8.342
Building products	9.995	8.075
Engineering	14.141	11.110
Industrial estates	761	539
Trading profit	3.669	2.494
Refractories	1.036	490
Building products	1.415	943
Engineering	702	697
Industrial estates	410	254
Parent company	106	110
Interest	219	47
Profit before tax†	3.888	2.541
Taxation	2.082	1.298
Net profit	1.886	1.243
Minorities	5	10
Attributable	1.881	1.233
To pension fund (net)	—	113
Dividends	433	394
Retained	1.448	579
Extraordinary credits	—	456
Balance	1.448	1.032

† After depreciation £865,000 (£809,000).

● comment

Gibbons Dudley's 53 per cent. profits rise brings them well above the half-time forecasts of £3.4m. The main momentum was at Refractories where more than doubled profits came from improved market share, better capacity utilisations, and an efficiency drive. Buoyant sales of GB's top-quality bricks helped Building Products produce a 50 per cent. rise in profits, but the prospects here for this year look bleaker, with forecasts of a drop of a tenth in U.K. brick sales. Margins continued to slip in the Engineering side and are now 4.9 per cent. (6.3 per cent.) with little prospect of recovery until the heavy capital investment cycle turns up. All round, GB is facing a difficult year, but should be able to produce an increase in profits. At 65p (up 3p) the shares yield 8.3 per cent. and the p/e is 4.3, hardly a full rating for a group that has increased its profits by more than three times in four years.

Progress by Wolseley Hughes

Due principally to the continuing good *performance* of the merchanting division and a further improvement in the engineering division, pre-tax profit of **Wolseley-Hughes** expanded by almost 62 per cent. to £3.1m. for the six months to January 31, 1977.

The net interim dividend is 3.025p per 25p share (2.75p)—last year's total was 6p and profit £4.22m.

The agricultural companies are producing increased sales and profits—lawnmower sales have started to improve but much *depends on the weather during* the summer months, says Mr. J. Lancaster, chairman. The immediate outlook for the group is encouraging, he adds.

	Six months 1976-77 £000	1975-76 £000	Year 1975-76 £000
Sales†	46,062	35,620	73,961
Trading profit	3,254	2,148	4,511
Interest on loans	156	235	287
Profit before tax	3,098	1,913	4,224
Taxation	1,611	995	2,196
Net profit	1,457	915	2,028
Minorities	1	1	32
Balance	1,458	919	2,060

† Includes exports £2.96m. (£2.57m. and £5.44m.).

● comment

The 62 per cent. pre-tax growth at Wolseley-Hughes is remarkable in view of the depressed state of the building industry. While several distributors of central heating equipment have been in severe trouble, Wolseley has improved its market share. It now claims to have 18 per cent. and no other distributor approaches this figure. The size of the operation obviously facilitates economies which make it resilient and profitable. Meanwhile the engineering side continues to make progress and the agricultural/horticultural side should recover. But no radical turnround on lawnmowers should be expected this year because the dealers first have to sell the stocks they were left with last year because of the drought. Nevertheless, the full year could bring pre-tax profits of £6.4m. or so *(against £4.2m.)* to make for a prospective p/e at 136½p of only 5.8. And when the building industry recovers there should be *further growth* to come. The maximum yield is 7.6 per cent.

McLEOD RUSSEL

The tea holding company McLeod Russel intends to recommend dividends of 10p net on the Ordinary and Preferred Ordinary shares for the year to March 31, 1977, as against 8.436p and 8.67p respectively for 1975-76.

As the intended Ordinary dividend exceeds 8.67p, the Preferred shares will be automatically converted to Ordinary shares on payment of the dividend.

In Wednesday's report the Preferred Ordinary shares were inadvertently described as Preference shares.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Arthur Bell	3.15	—	3.15	6.12	5.56
Bentima Industries	1.69	May 16	1.69	1.69	1.69
William Collins	2.55	—	2.18	4.15	3.78
B.P.	12.91	May 5	11.74	19.29	17.99
Coltness	0.81	June 30	0.74	1.63	1.48
English Prop. Corp.	1.05	May 27	1.03	2.3	2.28
Francis Shaw	2.36	July 1	2.15	2.36	2.15
Gen. Mining & Finance	120§	May 6	120	210	210
Gibbons Dudley	2.47	May 13	2.24	3.36	3.06
Hepworth Ceramic	1.13	June 3	1.08	2.13	1.93
HTV int.	2.5	May 9	1.5*	—	1.5*
Lex Service Group	1.75	May 14	0.84	2.92	1.51
Macallan-Glenlivet int.	1.38	April 13	1.38	—	4.12
Pittard Group	1.48	—	1.42*	2.48	2.26*
Plantation Hldgs.	1.09	July 6	0.99	1.95	1.77
Refuge Ass.	5.45	May 6	5.09*	7.25	6.4*
Sale Tilney	2.46	June 8	2.25	4.73	4.32
Second City Props. int.	0.35	May 6	0.46	‡	1.14
Sharpe & Fisher	1.43	May 27	1.23	2.12	1.93
John C. Small & Tidmas	1	May 23	1	2	2
George Spencer	1.99	May 2	1.6	2.97	2.58
James Wilkes	2.07	May 27	2.07	3.45	3.45
Wolseley-Hughes int.	3.03	July 4	2.75	—	6.0
H. Woodward & Son	1.3	April 25	1.3	1.7	1.7

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Final of 1.154p intended. § S.A. cents throughout.

William Collins tops £5m.

AFTER being ahead from £1.57m. to £1.86m. at halfway, publishers, **William Collins and Sons** achieved a record pre-tax profit for 1976 of £5.22m. against £4.23m. Sales increased by £6.5m. to £40m.

The directors say that overseas operations which accounted for 58 per cent. of the group's turnover showed "substantially increased" profits.

Stated earnings per 25p share increased from 17.5p to 21.1p. The dividend for the year is stepped up to 4.153p (3.7755p), the maximum permitted, with a final of 2.553p net.

	1976 £000	1975 £000
Turnover	40.039	42.525
Trading profit	6,681	5,636
Depreciation	922	831
Interest received	63	81
Interest paid	1,023	1,037
Assoc. profit	422	359
Profit before tax	5,221	4,228
Taxation	2,309	1,919
Net profit	2,912	2,409
Extraordinary debit	†121	153
Available	2,791	2,246
Pref. dividends	—	1
Ordinary dividends	573	520
Capital red. res.	—	44
Retained	2,218	1,681

† Cost of moving to Bishopbriggs.

● comment

The acceleration in second-half profits at *Wm. Collins* (up by 26 per cent., against 18 per cent. at the *interim stage*) *is due to success* with the Good News Bible that sold over 1m. copies, a maiden contribution from contract sales, *and economies of scale in the* new factory. These special factors added spice to an improving trading background, with retailers *restocking and a buoyant* pre-Christmas season again after the lapse in 1975. The one flaw in Collins' results is the 29 per cent. *rise in interest charges in the* second half, after a 27 per cent. fall in the first half. But this was due to the stock build-up in *October which required extra* borrowings. At the year-end, debt was 51 per cent. of shareholder's equity against 61 per cent. the *previous year. Having solved its* gearing problem, Collins looks set to move ahead—a fact which the p/e of 7½ (on a full tax charge) at 140p *still has* to catch up with. The yield of 4.6 per cent. is covered 4.4 times. bring its share value more into line with the asset value.

Pittard leaps by 74%

A SECOND half climb in taxable profit from £641,615 to £1,018,259, by leather tanners and dyers **Pittard Group** expanded the full-*time figure for 1976 by 74 per* cent., despite difficult trading conditions, to a record £1,759,855. Sales grew 42 per cent. to £14.84m. with exports jumping 76 per cent. to comprise half the total.

Mr. C. J. Pittard, the chairman, says that there is reason to believe that results for the current year will equal or even better *those for 1976.*

Stated earnings per 25p share were up at 11.7p, against 6.7p on capital increased by the one-for-two scrip issue, and a net final dividend of 1.481875p lifts the total to 2.481875p against an equivalent 2.25625p.

Electrical and Indl. Investment

THE YEAR 1976 resulted in little change in net profits of **Electrical and Industrial Investment Company** *and the figure came through* at £402,961 compared with £405,053. Profit is struck after tax of £168,008, against £144,250.

Earnings per £1 Deferred Ordinary stock are given at 394p (396p).

HTV over £1.1m. at midway

PROFIT OF **HTV Group** rose *sharply from £655,640 to £1,198,484* in the first half to January 31, 1977, subject to tax of £657,000 (£353,000). Turnover was £9.4m., *against £6.47m.*

Profit includes an Exchequer levy of £1.32m., compared with £0.92m.

Stated earnings per 25p share are 5.25p (3.08p) and the net interim dividend is 2.5p—a special interim of 3.5p has already been declared *for the current year.* Last year a single 1.5p interim was paid adjusted for a one-for-two scrip issue.

● comment

HTV's figures are in line with IBA advertising revenue. TV turnover *is up 30 per cent. against an* industry average of 27 per cent. and profits are lifted 58 per cent. thanks to *a fairly moderate rate of cost inflation. Also fine art dealer* Frost and Reed has made its first interim contribution of nearly £200,000 to show its potential in *evening out fluctuating advertising* revenue on the TV contracting side. Further diversification can be expected but nothing *concrete is in the pipeline, though* with net cash of £2.6m. in the last accounts (before term loans) HTV is obviously hoping to give itself *the broader base of some of its* contemporaries. The interim dividend is higher for a yield of 12.4 per cent. over the last 12 months (there is some room to manoeuvre under its recent scheme of arrangement) which gives the shares at 77p potential for some further strength, as the return is now in line with those of Ulster and Westward.

James Wilkes declines to £0.23m.

Business forms and equipment *manufacturers* **James Wilkes** declined further in the second half from £187,018 down to £104,644 to end 1976 lower at £231,492 *against £375,492. Sales were marginally higher at £6.67m.* compared with £6.43m.

Stated earnings per 25p share were *3.3p (5.7p) and the net final* dividend is maintained at 2.067p making a total of 3.452p (same).

Net profit, after tax of £108,074 (£210,920), was £123,418 (£164,572). Extraordinary debit nil (£38,709).

NEW COURT EUROPEAN

N. M. Rothschild has been instructed to prepare a unitisation scheme for New Court European Trust. This would be for shareholders' consideration with a view to implementation by July 31, 1977. The move was foreshadowed at the A.G.M. on January 19 when the Board of the *trust said that* it was considering alternative plans, including unitisation, to

ISSUE NEWS AND CO[M]

Sale Tilney £0.[…] rights at 110p

Sale Tilney, the engineering to food distribution group, is proposing to raise £593,000 by way of a one-for-three rights issue at 110p each. At the same time the company announces a hefty jump in pre-tax profits to £1.28m. from *£684,000 to give earnings of 32p* (19.8p) per share.

The dividend is lifted from 4.32p *to 4.73378p* per share with a final of 2.46378p. The company is forecasting a total dividend of 10,2375p for the current year to *November 1977.*

The rights issue is underwritten by Cazenove and Company, and dealings are expected to start on April 5.

Proceeds of the issue will be used to finance the company's expansion, which will cover both its industrial and food divisions plus developing its export business. The Board believes this expansion should be financed by way of permanent capital.

The directors believe that the company will have another *successful* year in 1977, though there is no forecast.

An EGM is called for April 4.

● comment

Sale Tilney is not giving a lot away in its preliminary announcement, but *a jump* of 88 per cent. in profits together with the 1976-77 dividend forecast was enough to send the shares soaring. The *food distribution* side has evidently benefited from loss elimination and the engineering division has taken advantage of the weak*ness of sterling* to boost its figures (only a tenth of sales originated in the U.K. during the previous year). In the context of borrowings of £4.8m. at November 1975, a £0.6m. rights does not appear to be a major development, but the proceeds are evidently earmarked for specific capital expenditure (as yet undisclosed). With the sharp increase in the dividend, giving an ex-rights yield of 10¼ per cent. after yesterday's 26p increase to 168p, the issue is unlikely to face any difficulties.

GENERAL ELECTRIC

Lazard Brothers acting on behalf of Coppenhall Nominees which is the trustee for the sale and distribution of the net proceeds of the aggregate fractional entitlements arising out of the issue by General Electric of floating rate unsecured capital notes 1986, have disposed of the fractional entitlements at market value.

GEC has purchased £8,452,000 *fractional entitlements* for cancellation following which £169,874,900 of will remain out

Fourth quarter lifts BP to £1.78bn.

[FOU]RTH QUARTER rise in [profits] before tax from £201.2m. [to ...]4m. left British Petroleum [...] ahead for 1976 at [£1,78...]m. against £1,523.3m.

[Earni]ngs per share are shown [u]p from 37.3p to 46.4p, and [the d]ividend is raised by the [maximu]m permitted from 17.99p [to ...]9p net per £1 share with [a final] of 12.914p.

[The d]irectors state that in the [fourth qu]arter the group lifted all [the cru]de oil available to it. This [reflects] the continuing build up [of prod]uction from the Forties [field] ...

[Howe]ver, in Europe, where BP [sells the] bulk of its product, ship[ping an]d distillation capacity was [in] surplus, both for the [group a]nd the industry, and in [conseque]nce profit margins re[mained] unsatisfactory, elsewhere [in the] group, despite difficult [trading] conditions, results have [improve]d, they add.

[Memb]ers are told that the [economi]c recovery in OECD [countrie]s, which began during the [later mo]nths of 1975, continued [in 197]6, though its momentum [tended] to slacken in the second [half of] the year. During the [year re]al GNP rose by about [... per c]ent in Europe and 6 per [cent in] the U.S.

[The i]mprovement in world in[dustrial] conditions led to an [increase] in demand for products, [the direc]tors say. In Europe this [was rein]forced by the shortage [of hydro]-electric power following [the sever]e drought. Demand was [also boost]ed by stock building in [the fourth quarte]r in the expectation of [a signifi]cant rise in crude oil [prices].

[In res]ponse to improved trad[ing con]ditions, group sales of [refi]ned products and chemi[cals incr]eased in 1976. Product [sales ro]se by 9.7 per cent. to [... to]nnes and chemical sales [... pe]r cent. to 2.5m. tonnes. [Direct c]rude oil sales at 79m. [tonnes w]ere 7.3 per cent. down. This continued decline [in direct] sales, which started in [1974 as] a result of growth in direct sales by the producing countries, was less than expected during the year because of buoyant demand for stock building later in 1976.

In total, group sales of crude oil, refined products and chemicals at 175.2m. tonnes for the year were 2.4m. tonnes higher than 1975, an increase of 1.4 per cent. compared with the decrease of 17.8 per cent. in 1975.

The level of crude oil prices set by the producing countries in October, 1975 remained virtually unchanged throughout 1976, and the cost of crude oil acquired by the group remained unchanged in dollar terms throughout the year at about $84 per tonne. However, the weakness of the pound meant a sharp increase in cost in sterling terms from about £41.5 per tonne at the beginning to over £49 by the end of 1976.

The latter months of 1976 saw some hardening of spot market prices for certain grades of crude oil in the expectation that the OPEC countries would increase prices at their December meeting. OPEC introduced two-tier pricing from January 1, 1977. Saudi Arabia and the United Arab Emirates raised prices by 5 per cent. and the remaining member states, from whom BP lifts 75 per cent. of their crude oil, by about 10 per cent., to give a basic difference of approximately 60 cents per barrel (£2.65 per tonne) between the two price levels.

Product prices were slow to react to the October, 1975 crude oil price increases, and the group did not recover the rises in its crude oil costs until well into 1976. This meant that recoveries from the market in certain European countries have been insufficient to generate any return on transportation, refining and distribution facilities—a situation which has persisted since mid-1974.

Natural gas sales at 9.9m. cubic metres per day were 16.5 per cent. higher than in 1975, partly because of increased production [...] Zealand Kapuni Field.

It should be noted that fluctuations in exchange rates in various currencies, in particular in the value of sterling against the dollar, make it difficult for meaningful comparisons to be made between figures relating to different periods, the directors state.

The group's equity interest of approximately 28 per cent. in Sohio contributed £19.7m. to the year's net income, compared with £14.7m. in 1975, members are told.

Group sales of products including chemicals were 96.2m. tonnes in 1976 against 86.7m. tonnes.

Capital expenditure during the year totalled £976.4m. compared with £789.2m.

The directors point out that substantially all the U.K. tax charge of £196.7m. is deferred.

See Lex

English Property upsurge

AFTER advancing £1m. to £2.4m. at midway revenue before tax of English Property Corporation for the year to October 31, 1976, finished £3.2m. ahead at £7.46m.

The final dividend payment per 50p share is 1.05p net for a total 2.8p (2.2835p), costing £1.91m. (£1.34m.).

Tax for the year took £0.75m. (£0.41m.) and minority interests £4.27m. (£2.92m.), leaving the net balance at £2.45m. against £0.94m. Convertible Preference shares accounted for £880,000 giving an amount available to Ordinary of £2.36m. (£0.85m.).

See Lex

Standard Life £100m. in gilts

[...] annual report and accounts of Standard Life Assurance Company shows that the long term insurance funds stood at £1.62bn. at the year end, November 15, 1976 compared with £1.28bn. at the beginning. But, as Mr. David Donald, the General manager pointed out, part of the growth arose from the depreciation of sterling which put a higher value on the Canadian business expressed in sterling terms compared with a year earlier.

Premium income rose by £30m. to £167m., annuities by £8m. to £37m. and investment income by £33m. to £139m. Claims and expenses were £4m. lower at £142m. due entirely to a £25m. fall in the amount of returns of accumulated contributions under pension schemes. The funds benefited by £100m. from the increase in asset value from exchange rates.

Mr. Donald stated that most of the company's new money last year was put into the gilt-edged market because of the high yields obtainable compared with equities. Just over £100m. was invested in this way compared with £30m. in equities and property, and the majority of that went into property. The portfolio at the end of the year shows £249m. in gilts, £116m. in public or local authorities, £22m. in debentures, £444m. in equities, £271m. in property and £320m. in mortgages and loans. The yield on the fund for the year rose to 9.3 per cent.

The actuarial valuation at the year end had used the most up-to-date mortality tables — the A1967/70—for the first time on assurance contracts and lighter mortality had been assumed in valuing annuity contracts. This change had resulted in an additional net amount of £12m. being held in the reserves compared with using the previous mortality basis. The company had declared a reversionary bonus for 1976 of £3.75 per cent. of the sum assured and £5.00 per cent. of attaching bonuses on U.K. with-profit policies. The terminal bonus rate ranged from £2.50 per cent. to £47.50 per cent.

Statement Page 25

Sharpe & Fisher up 17%

ON SALES 34 per cent. higher at £13.8m. against £10.3m., pre-tax profit of builders' merchants, etc., Sharpe and Fisher for 1976 increased by 17 per cent. from £727,663 to £852,409.

At halfway, profit was 7.5 per cent. ahead at £327,214 against £204,161, and the directors state that these figures were affected by setting up costs of the Bicester Merchanting branch and the Abingdon Sandfords D.I.Y. store. Both new ventures contributed to group profit in the second half, members are told.

The dividend is stepped up from 1.9294p to 2.1223p net per 25p share with a final of 1.4223p against 1.2294p. Stated earnings increased from 4.2p to 5.1p.

The asset value per share is stated at 43.3p (38.6p); before tax return on capital employed at 24.8 per cent. (23.8 per cent.); and the before tax return on sales at 6.2 per cent. (7.1 per cent.).

U.K. recovery will boost banking—Midland chief

THE CURRENT year opened on a hesitant note in the world economy, says Lord Armstrong of Sanderstead, the chairman of Midland Bank. In the U.K., the easing of the pressures which built up in the financial markets towards the end of 1976 should provide a basis on which recovery can now proceed, and the revival of investment in industry, in which the bank looks forward to playing a full part, is an important element in this, he says.

Another essential element in recovery will be a further improvement in foreign trade, he adds, and he notes that the clearing banks have agreed to shoulder a greater share of the financing of export credits.

With these uncertainties it would not be sensible to prophesy that our business will be easy in 1977, but in the meantime the bank will be taking some important steps to organise itself to meet the developing needs of customers, says Lord Armstrong.

Group pre-tax profit more than doubled from £82.39m. to £166.4m. in 1976, and dividends totalled 12.62582p (11.47802p) net per £1 share (as reported on March 5).

So far as the subsidiary companies are concerned one of the most encouraging features was the improvement in the performance of The Thomas Cook Group which is now trading profitably overall, although there was an after-tax loss, says Lord Armstrong. The improvement has been more rapid than expected, he adds.

Forward Trust made its highest ever profit and continued to increase its market share, members are told.

Samuel Montagu's international activities continue to produce good results, but it was inevitably affected by the home economy and the depressed level of activity on the Stock Exchange, says the chairman. The state of the commercial property market in the U.K. continued to have its effect on some of the lending, but to a lesser extent than last year.

Bland Payne produced excellent results, with a pre-tax profit almost double that of the previous year, he adds.

Lord Armstrong welcomes the recent establishment of Moracrest Investments by the bank, the British Gas Corporation Central Pension Funds and The Prudential Assurance Company. Moracrest will have an authorised capital of £15m. and will put up the equity finance for which all the participants believe there is a real need, he says.

Lord Armstrong says he is convinced that nationalisation of the banks would do nothing but "great and unnecessary damage to the national economy, to the banks as institutions, to their customers whether personal, industrial or commercial, and to their staff — not to mention their shareholders." In addition, he says, great harm would be done to London as one of the financial centres of the world, thus reducing the contribution to invisible earnings made not only by the banks, but by the City as a whole.

On the Government White Paper no the licensing of deposit-taking institutions, Lord Armstrong says: "We have welcomed the proposals to control the use of the word 'bank,' but we are not entirely convinced that the clearing banks need contribute to a deposit protection fund. Such a fund is quite unnecessary so far as the clearing banks are concerned; and if it is thought to be necessary for other deposit-taking institutions, it seems to me that equity suggests that those institutions should provide it."

Lord Armstrong says that the Bullock Committee Report made very little contribution to further progress, and he welcomes the note of realism and flexibility which appears to have entered into subsequent discussions.

It is proposed to increase the authorised share capital from £150m. to £200m. The directors say that they have no present intention of issuing any of these shares, but they consider it desirable to have them available to take advantage of any opportunities which may arise.

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BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Sydney C. Banks, Photopia International, Harry Vincent.
Finals—Church and Co., Coates Bros., Hall Engineering, Hugh Mackay, Yorkshire Chemicals.

FUTURE DATES

Interims—	
Beaverbrook Newspapers	†Mar. 23
Courtney Pope	Mar. 21
French (Thomas)	Apr. 5
Low (William)	Apr. 20
Pressac	Mar. 24
Finals—	
American Trust	Mar. 29
Carpets International	Apr. 14
Guardian Royal Exchange Assr.	Apr. 6
Offrex	Mar. 28
S.P.R. Investments	Mar. 22
Sharna Ware	Mar. 22
Sherman (Samuel)	Mar. 23
Smith and Nephew	Mar. 24
Smith St. Aubyn	Apr. 27
Sun Alliance & Ldn. Insurance	Apr. 6
Tilbury Contracting	Mar. 30
Warne, Wright and Rowland	Mar. 29

† Amended

[Ar]thur Bell turns [in] peak £7.5m.

[EXP]ECTED second half im[provemen]t in pre-tax profits at [Arthur Be]ll and Sons turns out to [...] £2.75m. to £5.25m. and [the y]ear-end total is a record [£7.5m. c]ompared with £4.18m., [on] higher turnover of [...] (£81.69m.).

[E]arnings per 50p share [are] at 29.03p, against 20.16p [and the fi]nal dividend is kept at [... for] a total of 6.12087p [...] the maximum allowed.

[The Sc]otch whisky division contributed £7.46m. to profit on sales of [...] (£72.84m.), out per[forming th]e industry in both [home and] export sales and Mr. [... Miqu]el, chairman, says that [the compa]ny has again laid down [sufficient] stocks to meet future [demand]. [The] stock investment in[creased fr]om £24.56m. to £29.46m. [...] home sales are not [hit by an]y further punitive home [excise du]ty increases, the 1977 [results of] this division are ex[pected to] be similar, he adds.

[Sa]les turnover at £96.21m. [...] duty) was £30.64m. [...] Bells Scotch Whisky [volu]me increased by 17 per [cent. again]st an Industry rise of [... per cen]t. Home sales turnover [of Ben N]eal Mackenzie Scotch [wa]s £5.5m. and the volume [was] 30 per cent. above the [previous y]ear's figure.

[Overseas sa]les turnover at £9.67m. [... was] higher — the volume [was] 12 per cent. against an [in]crease of 2 per cent. [Signific]ant sales development [took plac]e in Belgium, Sweden, [Aus]tralia, Japan and the [...] markets. The company [is plannin]g to invest substantial [sums of m]oney overseas and in [...] the U.S.

[Ca]pital expenditure in [1976 amoun]ted to £1.5m. and over [the past te]n years the company [has spent] £11m. in new produc[tion buildin]gs, warehouses, plant [and equipm]ent.

[In the Gl]ass Container Division [a new ware]house is planned to be [built at S]winton. Furnaces at [...] and Swinton are [to] be rebuilt this year [and the i]nvestment programme [will dicta]te further capital ex[penditure o]f over £1m.

[On the tr]aced to date for 1977 [...] of last year's figures [...]ed there are no un[foreseen cir]cumstances, profits for [the current] year from the glass [division sh]ould exceed those of [...] the chairman.

[...] to the Transport [...] Miquel expects that [the] picture will gradually [...]

At a Press conference Mr. Miquel was questioned about rumours of a possible bid for Bell. He stated categorically that there had been not one single approach of any kind. Some 23 per cent. of the Bell issued capital is held by the Gannochy Trust and, although there is an arm's-length relationship between the company and the Trust, Mr. Miquel said he was also sure that there had been no approaches to the Trust.

The group had had no difficulties funding the rapid growth of its whisky business so far and did not envisage any problems in the future, he added.

In the first months of 1977, home trade had been "quiet," but not exceptionally so, and the export business remained buoyant. There were no indications to suggest that 1977 would be a poor year.

The home price increase would be £1.45 a case (of 12 bottles) but rebates and bonuses had been altered and the actual increase for most customers would be less than this. For Bell's it represented something like a 15 per cent. price rise.

Mr. Miquel said the company over-produced new whisky last year to take advantage of relatively low barley prices—they had gone up 20 per cent. this year. Production in 1977 would be balanced against forecast demand so it might fall slightly.

● comment

Arthur Bell's 80 per cent. profits rise is better than the City's best estimates and the shares moved up 6p to 214p. A lot of the momentum has come from increased market shares, both at home and abroad, and better use of productive facilities. The rapid turnround at Canning Town was unexpected and this made a useful contribution. This year's price rises of around 15 per cent. in the U.K. and 22 per cent. in overseas markets should help keep Bell on the growth tack. But there is still the basic problem of how to finance more expensive stocks. The year-end overdraft is around £15m.-£16m. and the group's debt/equity ratio (107 per cent. in the last accounts) is still likely to be high. It is these problems that are fostering takeover talk which has put a sizeable premium on the shares of late. The 4.4 per cent. yield is now well below the 6.5 per cent. yield offered by Distillers.

[Lex Service] climbs to £7.8m.

[...] progress was achieved [by Lex S]ervice Group in the [...] with taxable profit [up fr]om £2.73m. to £4.53m. [...]e total for the year [to ... 2], 1977 by £3.75m. to [... Sa]les were up from [...] £251.47m.

[Mr. Tre]vor Chinn, the chair[man, says t]he results are "most [...]" particularly in the [light of th]e difficulties that the [group ha]d to overcome during [the last] two years. The motor [dist]ribution activities con[tinue to] grow, and newer [activities in]cluding fork lift truck [...] hire, transportation, [...] accounted for 37 per [cent. (... pe]r cent.) of operating [profit befo]re overheads and in[terest].

[Mr. Chin]n points out that con[siderable im]provement had been [made in con]tinuing the reduction [of long-ter]m debt and bank over[drafts whic]h were reduced to [...]m.) and that net cur[rent assets] had increased to [...]m.). The total overall [borrowing h]ad not changed very [much, how]ever, he added.

[The rec]ent information cur[rently avail]able indicates a sig[nificant inc]rease in profits over [the same pe]riod of last year, par[ticularly in] the transportation and [hotel busin]esses. In addition, the [group is] now benefiting from [the red]uctions in interest [rates and th]e present stability in [the value] of sterling. The[...]y they therefore look [forward to] the outcome for 1977 [with confid]ence.

[Fu]lly diluted earnings [per sha]re were 8.71p (3.09p). [...] at midway, with a net final of 1.7548p the total is lifted to a maximum permitted 2.9248p (1.5075p).

The Leyland production problems had "not really cost the company very much at the moment." The group had high deliveries in December.

Occupancy at the hotels this year is running well. At the Carlton Tower it was 63 per cent. in January and February (57 per cent.) and Heathrow 67 per cent. (49 per cent.). American hotels show the same sort of ratio across the board.

● comment

Lex Service has made a strong recovery and expects profits to move up sharply in the current year. The trading background in car distribution is improving, commercial vehicle distribution, transport and plant hire are all moving forward and hotels have been transformed by a huge rise in occupancy rates. The U.S. hotels look like staying out of the red (having turned round from losses of £1m. to nominal profits last year) and the employment agency, though badly hit in 1976, is still making a profit. Fully diluted earnings per share almost trebled to 8.7p last year and they could well top 10p in 1977, against a share price up 3p to 54½p yesterday. Yield is 8½ per cent. and now covered three times. Lex Service could now have enough flexibility to tackle its balance-sheet problems which still centre on total borrowings of around £48m. in contrast to net assets of about £35m., including £17.7m. of goodwill.

MINING NEWS

General Mining holds steady

BY PAUL CHEESERIGHT

THE SOUTH African mining finance house, General Mining, is maintaining its final dividend at 120 cents (80.2p), following the rapid expansion of its interests consequent upon its taking control over Union Corporation.

The dividend is being paid on an increased capital of 8.3m. shares compared with 5.9m. shares at the end of 1975. General Mining's total payments for 1976 are 210 cents, the same as the previous year.

Net income last year was R78.3m. (£52.3m.), more than double that of 1975 when the figure was R32.5m. But the group's expansion does not make the results comparable.

General Mining and its associate Sentrust now hold 50.1 per cent. of Union Corporation, which earlier in the week announced net profits of R56.8m. (£38m.) following its merger with Geduld Investments.

But General Mining is 71 per cent. owned by Federale Mynbou and its subsidiaries. The Federale-General Mining-Unicorp combination is second only to Anglo American among the South African finance houses.

The annual figures reveal that General Mining's net assets at the end of 1976 stood at R712.1m. (£476.1m.) compared with R294.9m. at the end of 1975 before the stake in Unicorp was boosted to its prevent level. The net asset value per share is R4.558 against R3.963.

The market value of General Mining Investments at the end of last year was R362.8m. At the end of 1975 it had been R211.1m. Unlisted investments are given a directors' valuation of R136m. against R25m. the previous year.

Earnings per share last year were 415 cents, down from the 440 cents of 1975. Consolidated operating income was R115.9m., while revenue from investments was R42.7m.

General Mining states that the increase in the securities rand discount during the year caused a further possible loss of R7m. on the sale of assets abroad to redeem a foreign loan. The amount has been debited to the provision for future exchange rate and interest fluctuations.

The shares were unchanged yesterday at £14¾ in front of the figures.

GOLD OUTPUT DECLINING

South African gold output declined during February for the fifth successive month. Production at 1,723,431 ounces was the lowest for any month since December, 1975, the latest statistics from the Chamber of Mines reveals.

After two months of 1977, production at 3,464,313 ounces was running behind that of 1976 when the figure at the same stage was 3,583,598 ounces.

The lower trend in production during the last quarter of 1976 was attributed to seasonal labour shortages, consequent upon the switch to domestic labour after dependence on immigrants. But last month the Chamber of Mines said that the current labour complement was 103 per cent. of requirements.

Costs increase at Deelkraal

THE COST of bringing the developing Deelkraal gold mine in South Africa to production has risen to R125m. (£83.5m.). This is disclosed in the annual statement of the chairman, Mr. R. A. Plumridge. Previously the cost had been estimated at R110m.

Deelkraal is 74.76 per cent. owned by Gold Fields of South Africa and Consolidated Gold Fields.

The main cause behind the increase is the rate of inflation but Deelkraal is also spending R2.5m. more than it had originally intended on an amendment to the shaft programme. The latest estimate takes no account of any further cost increases during the remainder of the development period to 1980.

Work so far has cost R61.1m. and capital expenditure in 1976 at R29.7m. was ahead of the budgeted estimate of R24.3m. Costs this year are put at R27.6m., with R13m. for 1978 and 1979 and R5m. for 1980.

Mr. Plumridge is also chairman of the Gold fields group mine, East Driefontein. He states in the annual report that the rate of dividend should be maintained at the level of the past two years under certain conditions. In 1976 there were two dividends of 35 cents and 40 cents each.

Mr. Plumridge's main condition is that the gold price "will not change materially from its present level." Yesterday it was $148.875 an ounce. But he points out that with the expansion of operations and the level of inflation, operating costs will increase. Capital expenditure will be high and taxation and the State's share of the profits will be levied on the full year.

For the longer term, Mr. Plumridge reminds shareholders that the present grade being mined is higher than the mine's average and that there will be a gradual decline in the value of the ore reserve and the yield.

Meanwhile, the annual report of another Gold Fields group mine, Vlakfontein, confirms that underground operations will stop in the next few weeks as reserves are exhausted and the mine floods.

Yesterday Deelkraal were 66p, East Dries 560p and Vlakfontein 40p.

DOME HURT BY GOLD PRICE

Higher costs and lower bullion prices halved the operating profit of the Canadian gold producer, Dome Mines, last year but a sharp increase in income from affiliated companies allowed net profits to hold up at $C18.4m. (£10.2m.) against $C19.4m. in 1975.

Dome has been mining gold at the Porcupine camp in Ontario for more than 60 years, but in 1976 bullion revenue slipped to $C46.7m. against $C59m. the year before, while operating profits were reduced to $C14.3m. from $C29.1m.

Operating costs moved up, under the pressure of higher wages and greater charges for supplies and services, to $C31.1m. from $C28.6m.

Canadian gold mines generally have been hurt so much by the fall in the bullion price from its peak at the end of 1974 that they have asked the Federal and Provincial Governments for assistance. Until last June they had received help under the provisions of the Emergency Gold Mining Assistance Act.

MINING BRIEFS

WESTERN MINING—Four weeks ended March 6. Kambalda Nickel Mine: Ore treated 113,114 tonnes produced 21,655 tonnes nickel concentrates. Nickel in concentrates 2,655 tonnes. Scotia Nickel Mine: ore treated 5,524 tonnes produced 441 tonnes nickel concentrates. Nickel in concentrates 66 tonnes. In addition 9,210 tonnes of concentrate assaying 11.05 per cent. nickel was produced at the Windarra Nickel project of which the company's share is 50 per cent. Central Norseman Gold treated 11,367 tonnes for 7,667 ounces fine gold. Kalgoorlie Mining Associates treated 32,096 tonnes for 3,245 ounces fine gold.

CONZINC RIOTINTO MALAYSIA—Sri Timah production for February 137t tonnes (January 130t tonnes).

BANK RETURN

—	Wednesday March 16 1977	Inc. (+) or Dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	20,826,344	+ 59,695
Special Deposits	1,026,525,000	+ 314,350,000
Bankers	317,016,057	— 170,252,544
Reserves & Other Accts.	506,522,953	— 21,456,545
	1,887,545,334	— 125,300,606
ASSETS		
Govt. Securities	1,448,587,473	+ 156,675,000
Advances & Other Accs.	336,422,802	— 11,122,093
Premises, Equip't & other Secs.	84,236,559	— 2,247,951
Notes	18,077,673	— 10,794
Coin	212,021	+ 6,344
	1,887,545,334	— 125,300,606
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	[illegible]	—
In Circulation	6,744,322,327	— 10,794
In Bank'g Dep't	18,077,673	— 10,794
ASSETS		
Govt. Debt	[illegible]	—
Other Govt. Secs.	5,592,075,249	+ 65,354,764
Other Securities	1,171,902,651	— 65,354,764
	6,775,000,000	— 25,000,000

LONRHO

Where will Tiny strike next?

BY MARGARET REID

"Where will Lonrho strike next?" was the uncomfortable query in City and company Boardrooms yesterday after Mr. Tiny Rowland's unpredictable conglomerate group had brought off a major surprise with its £7m. purchase of a 24 per cent. stake in Scottish and Universal Investments.

The move, the latest in a recent string of U.K. take-overs by the controversial group, which last year was the subject of a sharply critical Department of Trade Inspectors' report, has underlined questions being asked more and more about Lonrho's motives and intentions. The rapidly expanding group, formerly chiefly in Africa, and with later interests in the Middle East, is increasingly seen in the business world — like Russia in Churchill's eyes — as "a riddle wrapped in a mystery inside an enigma."

The acquisition of the holding in SUITS, and with it an indirect stake in the Harrods group, House of Fraser, has served abundantly to confirm the new orientation of Lonrho towards Britain.

In the past eighteen months, Lonrho has laid out around £65m., the great bulk of it in cash, on a series of substantial acquisitions, in widely varied fields, in many cases with low recent profits or losses. These include the Volkswagen dealership, London City and Westcliff Properties, the colchase backed by a £4.9m. Government grant), the much bid-for, though somewhat problem-vexed Dunford and Elliott engineering business — and now the holding in SUITS, where Mr. Rowland has replaced Sir Hugh Fraser as chairman.

Another purchase was Lubok Investments, in which a big personal stake had been held by Mr. Jim Slater, whose private Strongmead property venture Lonrho is also backing. There have been purchases of limited stakes in Combined English Stores and Newman Industries.

Such a sequence of acquisitions marks an unmistakable new direction in little over a year for a group which was for long primarily active in Africa, in mines, textiles and other fields, and which two years ago was stressing that its new Arab connections provided increased opportunities for it to join in projects with Arab and African interests. Some 22 per cent. of Lonrho's shares are held by Middle East shareholders.

The unpredictable evolution, and rapid build-up, of the Lonrho conglomerate has sparked off considerable restiveness among the watching institutions and the City. This was again highlighted yesterday, when the SUITS deal and Board changes led to a sharp exchange, of the kind by no means unknown in Lonrho's history, with SUITS' recently appointed advisers, Robert Fleming, protesting that Wednesday's moves were not in accordance with their advice, and Lonrho riposting promptly.

Earlier this week, there had been some surprise and criticism that Lonrho's conglomerate-type bid for Dunford and Elliott was not referred to the Monopolies Commission, as widely expected.

To observers, there has often seemed little common thread about Lonrho's rapid run of U.K. acquisitions, other than that they have often been known to be available interests (the initial L C and W stake, Brentford Nylons, Volkswagen and, perhaps the SUITS stake) or, in some cases at a low point in their fortunes, as with Dunford and Elliott and Brentford.

But Lonrho itself considers there is nothing of the random selection, or impulse-buying, about the pattern of its U.K. acquisitions in different areas that might appear to others. Mr. Fred Butcher, the Lonrho director who has just joined the SUITS Board, said yesterday that, apart from the addition of a new line—property—in the L C and W acquisition there was "nothing new." Lonrho's recent buying spate had all been in fields where the group was already active.

Brentford Nylons added more textiles to David Whitehead and African concerns, Dunford and Elliott complemented Firsteel and other interests, he remarked, while SUITS' whisky and newspaper business had parallels in the Lebegue concern and publishing in Africa.

What is Lonrho aiming at in its conglomerate spending spree? Considering that there had been little, if any, recent profit in certain of its recent acquisitions, would it aim to break up any of its new interests and sell off the parts profitably?

Not so, according to Mr. Butcher. "We're not asset strippers and never have been. We go in because we believe a company has a good future," he insisted.

Other thinking behind the build-up in Britain, where Lonrho now has about 10,000 employees, is the desire to generate income to meet dividend and other outgoings in the U.K. and to create a profit base. Overseas income can be subject to transfer delays, though 85 per cent. of Lonrho's earnings are remittable.

One of the key questions on the financial front will now be whether Lonrho, which has taken over some £70m. of debt with the £65m. of acquisitions—earning, on latest published results, little aggregate profit, as the table shows—will be able to shift its new interests on a higher earning basis.

Just as important, but more impalpable, may be whether Mr. Rowland and his Board will take steps to heal the rift which yawns increasingly widely between this group, with its abrasive style, and the City establishment, as evidenced again by yesterday's clash with Flemings.

Lonrho has not been popular with the institutions since the 1973 storms which prompted Mr. Edward Heath's memorable description of the group as "the unacceptable face of capitalism." This is reflected in the low rating of the shares on a price-earning ratio of only 3.7 at 80p despite the strong profits rise to £93m. last year. At its present price, the shares stand well below the level at which the Middle East interests of Sheikh Masser Sabah Al Ahmed acquired many of their shares and have options to buy more.

Acceptability to the City could well prove an objective which, for even self-interested reasons, Lonrho should not despise.

BIDS AND DEALS

Estates House confirms talks

Commercial Union remained silent yesterday over a report that it is poised to make a take-over bid for Estates House Investment Trust, the company formed through a merger of 19 separate companies formerly associated with the interests of Sir Denys Lowson. However, the report did draw a response from Estates House which confirmed it was having talks with an unnamed party which might lead to an offer being made.

It has been known for some time that it was the intention of the Boardo f Estates House to either liquidate, unitise or sell off the company once the strategic cross-holdings left over from the Lowson days had been eliminated. Shareholders are advised by Estates House, whose reorganisation has been carried out by merchant bankers Hill Samuel, to take no action until a further announcement is made.

Mr. Brian Banks, managing directo rof the Britannia Unit Trust Group (formerly Slater Walker) which is the largest individual shareholder in Estates House with a 23.6 per cent. stake, said yesterday that he had not been approached by any third parties regarding the shares. He said that Britannia had been firm holders all the way along and that he was personally very pleased with the way in which Hill Samuel had handled the reorganisation and with the progress that had been made.

Asked as to the likely asset value of Estates House, Mr. Banks said that "Naturally as the largest shareholder we have made internal estimates as to the likely asset value of the group which we put at between 235-260p per share." However, he stressed that this was based purely on the progress in the Stock Market and on out of date information as regards the contents of the portfolio. Britannia acquired a 10 per cent. stake in Estates House when it purchased the National Group of Unit Trusts.

Mr. Banks said that Britannia was anxious now to liquidate its Estates House holding and would be interested in accepting shares in any major institution in exchange. However, he also added that he would like to see "some sort of cash alternative."

The Estates House share price jumped 15p last night to 262p. Commercial Union ended the day 5p higher at 131p.

UNILEVER NV ACQUISITION

Unilever NV is to acquire an 80 per cent. interest in the French company Fayard et Ravel, which manufactures and markets polyethylene film for packaging and other industrial uses. The value of the net assets acquired will not represent a significant proportion of the total assets of Unilever NV.

EXPANSION BY MOWLEM

Mowlem's engineering products division announce the acquisition of a 40 per cent. shareholding in Turret Engineering of Hoddesdon, Hertfordshire, a private company whose principal business is the manufacture of soil, concrete and rock testing equipment, much of which is marketed worldwide by Mowlem's engineering laboratory equipment.

The price was £90,440 and Mowlem have appointed two directors, Mr. T. G. Clark and Mr. T. H. Whittenbach, to join the existing directors of the company under chairmanship of Mr. B. F. Adler.

SEDGWICK FORBES

Sedgwick Forbes and Albert G. Ruben and Co. of California, have formed a 50-50 partnership under the name of Ruben Sedgwick Insurance Services. The Sedgwick Forbes U.K. film department has been discontinued, and has been absorbed into the new organisation. The partnership is operating from offices at Pinewood Studios.

Hamilborne sells Reed & Mallik stake

Hamilborne, whose offer for Reed and Mallik has been rejected by the Reed and Mallik Board, has sold its 28.3 per cent. stake in the company to rival suitor Rush and Tompkins for £325,000 at a profit of over £100,000.

The purchase by Rush and Tompkins has been made on the same terms as the R. and T. offer which was for every three shares in Reed and Mallik one share in Rush and Tompkins plus 45p in cash. The consideration of £325,000 is arrived at by taking R. and T.'s shares at 55p each.

Rush and Tompkins has therefore sent out its offer document to Reed and Mallik shareholders in which the current nBard (12.9 per cent.) and Mr. B. W. Tawse, former chairman and his associates (12.2 per cent.) recommend the terms to shareholders.

BCA/NATIONWIDE

British Car Auctions has agreed to purchase 54,124 Nationwide Leisure Ordinary shares for cash at 10p per share.

BCA has now received acceptances or has acquired or agreed to acquire shares representing 45.86 per cent. of the issued Ordinary share capital of Nationwide. The offer expires 3 p.m. Wednesday, March 23.

SENA SUGAR

Sena Sugar Estates says it is aware of circumstances which indicate that an offer may be made to acquire the outstanding £419,181 8½ per cent. Second Debenture Stock, 1987-92. A further announcement will be made in due course.

TOOTAL/SLIMMA

Terms have now been agreed as to the share alternative for Ordinary shareholders in Slimma Group not wishing to receive the 100p per share cash alternative from Tootal. The share alternative will be for every three Ordinary shares in Slimma, eight Ordinary shares of Tootal.

The Tootal shares will be credited as fully paid and will rank pari passu in all respects with the existing Ordinary shares, except that they will not rank for the final dividend in respect of 1976-77.

Swans goes for a song

BY ARTHUR SANDLES

Hotelplan, the Swiss-based travel group which trades in Britain under the Inghams and Tyrolean Travel banners, is taking over the goodwill of Swans Tours, a major activity of the Irish group, Swan Ryan International. Both are medium-sized companies — although among the U.K. tour operating top 20 — and specialise in winter sports.

It is thought that this is only the first sign of what could be an eventful year in the corporate affairs of the travel industry.

Swans Tours (which is not connected with Swans Hellenic Cruises) has had a series of owners during the past decade. It was sold by Diners Club to Forte's (Holdings) in 1968 and then Forte lost interest in plans to build a large mass market tour-operating division and sold the company to Ryans Tourist Holdings.

At first things went very well and Ryan changed its name to Swan Ryan, but over the past 18 months there has been less optimism about the company's tour-operating activity.

Although no price has been named, it is understood to be fairly small in cash terms. Hotelplan will only have the goodwill and the name. Swan Ryan International will continue to operate the Swans programme until the end of next summer.

Inghams said last night that the deal "strengthens our position abroad. Swans has some very useful contracts with hotels."

Swan Ryan International, meanwhile, intends to concentrate on its U.S. and hotel interests.

BEAVER GROUP UNRELENTING

Beaver Group, is unrelenting in its opposition to the £1.15m. bid from CH Industrials despite the fact that, through purchases and acceptances CHI has 41 per cent. of the group's shares and has extended its offer to March 25.

In a letetr to shareholders, Mr. H. E. M. Barnes, chairman of Beaver, says that excluding the acceptances by Mr. Felix Merz, former chairman of Beaver and his family, "it is most heartening to learn" that shareholders "have seen fit to accept in respect of only 16 per cent. of the equity."

Mr. Barnes goes on to say that this is almost exactly the figure which Mr. Tim Hearley, chairman of CHI, has been reported as reckoning he could count on. "Clearly the majority of you are determined that CHI shall not succeed."

Beaver's case is that CHI, which is offering one of its shares and 18p in cash for every Beaver share, "is and will be substantially dependent upon British Leyland for its profits." That there is no commercial logic in the offer and Beaver shareholders should not that the market in CHI's shares may not support any selling by accepting Beaver shareholders.

In addition, Beaver stresses that the Board "has now strengthened is at last in a position to effect the necessary reorganisation of the Paints division" which made a loss of £134,000 last year and whose recovery is a precondition of its forecast 4p net dividend being paid this year.

Such reorganisation is being actively pursued, according to Beaver, and apparently they are confident that the losses will probably be eliminated in the current year. Last year's pre-tax profit figure was £128,000.

Yesterday CHI and Beaver were unchanged at 26p and 41p respectively the latter standing 3p below the value of the CHI bid as indicated by the offer terms.

Charterhouse Japhet is advising CHI and Beaver's advisers are County Bank.

BORTHWICK/FMC

Morgan Grenfell, acting on behalf of Thomas Borthwick has bought 100,000 shares in FMC for which Borthwick announced a revised £12.5m. bid at 125p on Wednesday, at prices ranging from 93p to 102p.

On Wednesday, L. Messel and Co. sold 4,600 shares in FMC on behalf of the National Farmers Union of Scotland at 96½p and 33,120 shares on behalf of National Farmers Union Trust General Fund at the same price. Guinness Mahon, advisers to NFU Development Trust which has made a rival £9.7m. offer at 97p a share, confirmed that these shares now formed part of the Trusts 47.8 per cent. holding.

£6.3m. first-half loss by Slater Walker Securities

INVESTMENT bankers, Slater, Walker Securities announce a deficit of £6.34m. after tax and minorities for the first half of 1976. For the previous comparable period there was a profit of £1.11m.

The directors say they do not anticipate paying any dividends for the year.

The loss excludes profits of £696,000 which were realised on the disposal of dealing and investment properties but as no full review of the value of the remaining properties has been carried out, the directors consider it prudent to add these profits to the provisions included in the accounts for the year ended December 31, 1975 pending a full appraisal as at the end of 1976.

Interest on properties in the course of development amounting to £1,440,000 for the six months has been included in the property results. However, the directors intend to reconsider the treatment of this interest when the full appraisal is available.

The company has continued in its programme of realising investments and property and recovering the loan portfolio of Slater, Walker. Continued progress in this programme has enabled Slater, Walker Securities to purchase, in the market, in the latter half of 1976, U.K. loan stocks issued by the company and currency bonds issued by a wholly-owned subsidiary. The cost of the redemptions has amounted to £8.5m. and the nominal amount of stock redeemed is £15.5m. The profit arising has not been included in these results.

The first half deficit includes a property loss of £3.74m., investment income of £0.69m., investment management profit of £0.4m., loss on exchange £1.49m., profits on disposals of subsidiaries and investments amounting to £30,000, overhead expenses, interest on unsecured loan stocks and currency borrowings less net interest received of £1.64m., non-recurring and miscellaneous loss of £0.56m., tax £25,000 and minority interests of £13,000.

No dividends were received from the insurance companies during the period and no figures have been included in respect of the banking subsidiary in view of the guarantee arrangements detailed in the report and accounts for the year ended December 31, 1975.

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See Lex

Best ever £0.85m. by Coltness

PRE-TAX profit up by 43 per cent. to a record £0.85m. is announced by Coltness Group for 1976. A sizeable advance was forecast in September last year when the directors reported first half profits up from £0.24m. to £0.39m.

Stated earnings per 25p share for the year were 8.5p (5.8p) and a final dividend of 0.813p net lifts the total from 1.478p to 1.626p, the maximum allowed.

Mr. Eric Gibbons, the chairman, reports that industrial fastenings (contributing 74 per cent. of turnover and 87 per cent. of trading profits) registered further steady progress. On turnover up 18 per cent. profit margins were held and sales volume was maintained despite difficult market conditions.

Trading profits from bricks and textile waste were trebled. The brick division's upturn was achieved on lower sales volume following the planned closure of certain brick works. Sales by the textile waste company in export markets showed a marked increase.

Mr. Gibbons also states that bank overdrafts—£710,000 at end 1975—had been eliminated at December 31, 1976, and that total borrowings represented less than 50 per cent. of shareholders' funds. A bank term-loan of £350,000 was used to finance capital investment in new plant during 1976. The chairman adds that there will be scope for further expansion during 1977.

Regarding future prospects the fastenings division, with its additional capacity, is currently pursuing the possibility of opening export markets, particularly in the Middle East. The chairman reports that brick order books are decidedly better than a year ago. Increased volume from this division should also bring improved profitability, he states.

	1976 £	1975 £
External sales	7,367,212	6,778,8
Trading profit	1,091,303	794,5
Loan interest	67,778	63,8
Bank overdraft	111,356	130,0
Profit before tax	852,269	596,6
Corporation tax	259,079	303,7
Deferred tax	147,140	11,7
Net profit	446,050	304,5
Minorities	35	—
Attributable	449,013	301,3
Dividends	84,664	78,9
Extraord. debits	—	406
To reserves	361,351	†178,3

† From reserves.

Adams & Gibbons sees more growth

The current year has started reasonably well for garage proprietors, and motor dealers and engineers Adams and Gibbons. Provided that some measure of stability can be maintained in the national economic situation the directors say they see no reason why the company cannot make further progress in 1976-77.

As reported on February 1[illegible] for the year to November 3[illegible] 1976, profit increased £9,220 to £652,524 on sales of £15.59m. (£12.69m.). The dividend is lifted to 3.95p net.

During the year the company was able to take advantage of the increased share of the U.K. car market attained by Vauxhall Motors, and its new car sales were in excess of the 8 per cent. growth in the overall new car market. The sale of Bedford trucks was also better and this market appears to be improving significantly, the directors add.

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BAT Inds. sees moderate improvement in 1977

Mr. Peter Macadam, chairman of BAT Industries, told shareholders at yesterday's annual meeting that he expects a moderate improvement in profits this year although the final outcome may be affected by further changes in exchange rates.

In answer to a shareholder, who questioned whether the recent Treasury decision on Inchcape and other overseas based companies would allow dividend freedom to BAT, Mr. Macadam said that his Board would probably look into the matter in time for next year's dividend, when the Inchcape case would be taken into account.

He assured the shareholder that "we are very conversant with the issue and we won't let the opportunity slip us by."

On dividend prospects, Mr. Macadam said the company's earlier intention to pay dividends totalling 12.87p a share for the year ended September 30, 1977 still stood.

On future prospects, Mr. Macadam said fluctuating exchange rates, inflation and price controls made forecasting very difficult. In tobacco, the group faced higher advertising and promotion costs in the U.S. related to the introduction of new brands.

On the other hand, Germany had benefitted from a price increase and Souza Cruz in Brazil continued along its successful course.

In retailing, improved profits are expected from International Stores in the U.K., and Saks in the U.S. where Gimbels will take some time to recover from poor trading conditions over Christmas and severe winter weather in the north east. Companies in the paper division were experiencing a better year with greater use of installed capacity as the economy improved. Cosmetics should also show some improvement.

An increase in investment income is expected to be mostly offset by an increase in interest paid. The proportion taken by tax should fall slightly. Taking all these factors into account, and despite the strengthening of sterling since the beginning of the financial year, a moderate improvement in profits attributable to BAT Industries is expected, although the final outcome might be affected by further changes in exchange rates.

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Macallan-Glenlivet falls midway

A slump in pre-tax profit from £157,000 down to £87,000 is reported by malt whisky distillers Macallan-Glenlivet for the half year to January 31, 1977. Sales were also lower at £0.86m. compared with £0.98m.

Strong sales of bottled Macallan and an upturn in orders for 1977 whisky will show through in some second half improvements. This will not be sufficient to bring the profit before tax up to the £294,756 for 1975/76, the directors state.

The net interim dividend is held at 1.378125p per 25p share. Last year payments totalled 4.118675p.

For the first six months trading profit was £209,000 (£268,000). Profit before tax was struck after interest of £58,000 (£50,000) and depreciation, £64,000 (£61,000).

The trading results reflect not only the depressed production levels in 1976 but also the effect of the industry's practice of holding the filling price steady throughout the year when costs are subject to inflation. With the price held for 24 months the increase obtained from January 1, 1977 was limited by commercial considerations and did not even cover the known rise in costs for the year but it should be viewed against the background of returning confidence in the trade, the directors state.

The continued policy of investing in whisky stocks will lessen the impact of the improving trend in the short term especially when finance costs are high but it is essential if the underlying potential of the company is to be realised, they say.

KING & SHAXSON PREF. PAYMENTS

Bankers, King and Shaxton, announce payment of 1.75p net per per 5 per cent. Cumulative Preference share of £1 each for the h[illegible] year ending April 30, 1977, eq[illegible] to 2.69231p gross. This compa[illegible] with 1.625p net or 2.5p gross [illegible]viously.

Net, the payment absorbs £[illegible] (£5,638) and gross £9,423 (£8,7[illegible]

The difference between the 1[illegible] and 1977 dividends is due to clarification in the Finance 1976 of the Sime Darby Lon[illegible] and Sime Darby Holdings c[illegible]

The lividend is payable on [illegible] 1, 1977, to shareholders registe[illegible] at close of business on the A[illegible] 12, 1977.

Centrovincial back in profit at mid-term

For the six months to Sep[illegible]ber 25, 1976, Centrovincial Est[illegible] reports a turnround from a [illegible] of £194,000 to a surplus be[illegible] tax of £346,000—already £22[illegible] ahead of the figure for the full year.

With the improvement in f[illegible] half net rental income f[illegible] £1.63m. to £2.05m. results sho[illegible] small surplus after writing o[illegible] terest relating to certain deve[illegible] ments in progress and the di[illegible] tors say that they expect [illegible] position to be maintained in [illegible] second half. There will be [illegible] dividend payment for the cur[illegible] year. The last dividend was [illegible] of a total 1.385p net for 1973-7[illegible]

The directors report that [illegible] gress continues to be made [illegible] wards reduction of the gro[illegible] borrowings, in particular sh[illegible] term borrowings overseas. [illegible] of an office development in [illegible] for equivalent of approxima[illegible] £4.25m. has just been comple[illegible] and the proceeds applied tow[illegible] the reduction of European sh[illegible] term loans. Terms have b[illegible] agreed for the sale of U.K. inv[illegible] ment properties which will [illegible] duce some £3m. The sales of [illegible] investment properties in Austr[illegible] for a total of £4.9m., referre[illegible] in the directors' report in [illegible] year's accounts, have been c[illegible] completed.

MONEY MARKET

Signal on interest rates

Bank of England Minimum Lending Rate 11 per cent. (since March 10, 1977)

There was a shortage of day-to-day credit in the London money market yesterday, and the authorities took the opportunity to give a signal on interest rates, by lending a moderate amount of five or six discount houses for seven days, at Bank of England Minimum Lending Rate. The intention was to indicate to the market that the authorities wished to see moderation in the decline in rates at the Treasury bill tender. This did not appear to have the desired effect on rates, however, and at the close yesterday discount houses' buying rates for three-month Treasury bills were around 9⅞ per cent., indicating a possible cut of ¼ per cent. to 10¾ per cent. in Minimum Lending Rate. The market related formula for calculating MLR was reinstated last week, but at the same time the authorities issued a statement reserving the right to override the formula if necessary.

The market was faced with maturing local authority bills held by the authorities yesterday, repayment of the previous day's official advances, and a small market take-up of Treasury b[illegible] These outweighed a small exc[illegible] in bank balances carried o[illegible] from Wednesday and an exc[illegible] of Government disburseme[illegible] over revenue payments to [illegible] Exchequer.

Discount houses paid up to [illegible] per cent. for secured call loa[illegible] but closing balances were ta[illegible] at 9-10½ per cent.

In the interbank market o[illegible] night loans opened at 9¾-10 [illegible] cent., touched 11½-12 per ce[illegible] but closed at around 9 per cen[illegible]

Rates in the table below [illegible] nominal in some cases.

Mar. 17 1977	Sterling Certificates of deposit	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House Deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Eligible Bank Bills ⊕	Fine trade Bills
Overnight	—	9-12	—	—	—	10⅛-10¾	9-11	—	—	—
2 days notice	—	—	10-10⅝	—	—	—	—	—	—	—
7 days or 7 days notice	—	10-10⅝	10⅛-10½	—	10⅝-10¾	—	10-11	—	—	—
One month	10 1/16-10	10⅛-10¼	10-10¼	10¾-10¼	10¼-10¾	—	9¾-10	9⅞-9 15/16	10⅛-10 1/16	11-10[illegible]
Two months	10-9⅞	9 15/16-10 1/16	—	10¾-10¼	10¼-10¾	—	9⅝-9¾	9¾-9 11/16	9⅞	11-10[illegible]
Three months	9⅞-9¾	9⅞-10⅛	10⅛-10¼	10¾-10⅛	10¼-10¾	—	9⅝-9¾	9⅝	9¾-9 11/16	10¾
Six months	9[illegible]-9 7/16	9¾-10 1/16	10⅛-10⅜	10¾-10	10¼-10¾	—	—	—	9⅛-9⅝	10¾
Nine months	9 11/16-9 9/16	9¾-10 1/16	—	10½-10	10¾	—	—	—	—	—
One year	9 9/16-9 11/16	9¾-10 1/16	10-10⅜	10½-10	10¾	—	—	—	—	—
Two years	—	—	11⅞-12¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mor[illegible] rates nominally three years 12¾-13¾ per cent.; four years 13-13¾ per cent.; five years 13¾-13¾ per cent. ⊕ Bank bill r[illegible] in table are buying rates for prime paper. Buying rate for four-month bank bills 9¾-9 9/16 per cent.; four-month trade [illegible] 10½ per cent.

Approximate selling rate for one-month Treasury bills 9¾-9 11/16 per cent.; two-month 9¾-9 9/16 per cent.; and three-mo[illegible] 9¾ per cent. Approximate selling rate for one-month bank bills 10-9 29/32 per cent.; two-month 9¾ per cent.; and three-mo[illegible] 9¾-9 9/16 per cent.; one-month trade bills 10¾-10⅝ per cent.; two month 10½-10⅜ per cent.; and also three-month 10⅜ per cent.

Finance House Base Rate (published by the Finance Houses Association) 12 per cent. from March 1, 1977. Clearing B[illegible] Deposit Rates for small sums of seven days' notice 6½ per cent. Clearing Bank Base Rates for lending 10½ per c[illegible] Treasury bill average tender rates of discount 10.2011 per cent.

"The earning power of our funds has been increased"

STATEMENT BY THE CHAIRMAN, MR. T. N. RISK.

To be presented at the Annual General Meeting on March 22nd, 1977.

RETIRING DIRECTORS

During the year we lost from our Board the services of one whose reputation in the world of finance, and the world of sport, was international. It is given to comparatively few men to be instantly recognisable by the mere mention of the initials of their Christian names. G. P. S. Macpherson was one of these. He joined our Board more than 40 years ago and has seen our assets grow in that time almost sixty-fold. He has served as an ordinary member of the Board, and also as its Chairman. To all that he did he brought a warm and sympathetic personality as well as an exceptional knowledge of financial and investment matters. We shall miss his advice, and himself even more, and we wish him all health and happiness in his retirement.

In Canada too time has brought its changes. Mr. R. D. Mulholland retired *from our* Canadian Board *in November. His long experience with the Bank of* Montreal qualified him to make a greatly valued contribution, especially on investment matters, to the deliberations of the Canadian Board during his decade of service. We wish him well in his retirement.

THE ECONOMY

Gray, in his ode, "The Bard," paints the picture of the ship of state sailing gallantly on,

"Regardless of the sweeping whirlwind's sway
That, hush'd in grim repose, expects his evening prey."

The parallel with our position today is only too easily drawn. No one, in theory, opposes the view that, if inflation cannot be halted, the ship of state is heading for the rocks. Unfortunately those who control the economy of the country seem to find it difficult to apply the obvious remedies. Expediency, rather than principle, is too often the watchword of political parties today. We started this year with rates of inflation which were frightening. We hoped they might be reduced to levels which, though in normal times were hardly to be thought of, might as economic factors altered in our favour give us some prospect of survival.

At one point during the year we seemed to be moving towards this goal, but, as so often before, the dawn proved to be false. The rate of inflation has been reduced, *but it remains at a wholly unacceptable level. Worse still, we are in danger* of coming to believe that a rate of debasement of our currency which, not so many years ago would have seemed inconceivable, is now the norm and that the alternatives to allowing it to continue are worse. The life assurance industry is probably the greatest single contributor to the savings movement and from our point of view nothing could be more disastrous than the acceptance of this idea. The only foundation on which we can hope to build is that of a stable currency. Without it we labour in vain. It is not enough to hope that, if we can manage somehow to stagger through the next year or so, our problems will be solved for us by the production of North Sea oil. For one thing it is only too easy to exaggerate the potentialities of our natural resources, and for another many of the expected benefits have already been mortgaged against the foreign borrowing which alone has enabled us to maintain a standard of living which we cannot afford. Sooner or later the facts must be faced, and the crunch may come faster than we expect. This year's talks on prices and incomes policy are bound to be critical. A further fall in net incomes in real standards is hardly to be avoided. One hopes therefore for a bold and imaginative move to reduce direct taxation, particularly at its penal upper levels which have done so much to discourage enterprise and initiative. Our future survival as a democratic country is at stake.

INVESTMENT CONDITIONS

In these conditions it is not surprising that during the year our investments in the British equity market have been comparatively limited. This does not mean that we are reluctant to play our part in providing capital for industry. On the contrary, new issues during 1976 raised a total sum of £950m. and as underwriters we took our share in making this possible. But the borrowing requirements of the Government during the year were greater by far and absorbed much of the new money available for investment. As a company with long term liabilities we do not believe that it is prudent to hold any major part of our assets in liquid form. In general our new money is invested as it is received and I believe this is normal practice in the insurance world. It follows therefore that if insurance companies materially increased their lending to the private sector it could only be at the expense of the demands of the public sector. What is really needed is an increase in production and profits which will generate the funds from which the necessary demands of both sectors can be met.

NATIONAL PENSIONS

The untimely death last April of the Rt. Hon. Brian O'Malley was a hard blow to the pensions industry. As Minister of State, Department of Health and Social Security, he won the respect of all who had to deal with him and we felt that the desire he expressed so often for a fruitful partnership between good occupational schemes and the State Pension scheme was sincerely held. His successors continue to assure us that this policy remains unchanged but only too often their deeds seem to belie their words. There has been an apparent unwillingness to correct technical faults in the legislation, some of which have far-reaching consequences. I think too of the application of the pay policy to occupational pension schemes, of proposals for legislation on the subject of worker participation, and of the general organisation of the mammoth task of adapting schemes to be ready for April 1978 when the new State Scheme comes into operation.

Employers are at the moment engaged in the task of considering whether or not to modify their existing pension schemes to enable them to contract out of the new State Scheme. There is a wide disparity between the benefits under a scheme which could be called a typical "good occupational scheme" and those which will just satisfy the minimum requirements to enable contracting out to take place. And yet the Government has decided that any increase in benefits beyond this minimum level must count against the permissible increases in remuneration. Moreover, the

Chancellor has refused to give any indication of when, if ever, this policy will be relaxed. A year ago we accepted the necessity for this in the short term fight against inflation. Its continuance however must inevitably lead to delays in improving benefits and through natural inertia increase the number of schemes which decide *not to contract out. This is damaging to the interests of employees who are being* denied benefits which otherwise might have been theirs, and by diverting contributions from a funded to an unfunded scheme must in the long run be more inflationary than a more encouraging attitude to the good occupational scheme.

The Secretary of State for Social Security assured us in September 1976 "We are fully committed to supporting the development of good occupational pension schemes." One wonders if the speaker had realised the effect on occupational pension schemes of the White Paper 'The role of members in the running of schemes' or of the likely reaction to the Government's proposals for legislation arising from the Occupational Pensions Board's report on equal status for men and women. The first of these rejected the O.P.B. advice that this subject was best handled by a voluntary code of practice rather than by legislation, and both fail to recognise that the provision of pension benefits under a private scheme is a voluntary act on the part of the employer, for which he might expect encouragement rather than a series of legislative hurdles interposed in his path. The sheer complexity of the legislation existing and proposed is making it increasingly difficult for an employer, or his advisers, to know whether his scheme is within the law and is hardly consistent with the expressed purpose of "supporting the development of good occupational pension schemes." The Minister's protestations that there is no ulterior motive in some of these proposals would be more credible if he were to show himself more willing to give reasoned replies to the arguments which have been advanced against them as to their likely deterrent effect.

All this is sad enough from an industry point of view. It is even more serious that the growing complexity of legislation is becoming an increasing burden to the Government itself and Government Departments too are clearly feeling the strain. We have always enjoyed cordial relations with the Superannuation Funds Office and the O.P.B. My comments are directed not at their hard working staffs but at *those who have put burdens and responsibilities on them without* providing the means to carry them out. The law suggests that provided a notice of intended election to contract out is made by mid-December 1977 and the scheme satisfies the requirements, then a contracting out certificate will be granted before the starting date of the new State Scheme. Yet, so recently as January the Chairman of the O.P.B. said "it would be a mistake to assume that if an election is sent to the O.P.B. by the end of 1977 all will be well ...." Thousands of employers throughout the land are holding consultations with workers and Trade Unions and seeking advice from the comparatively small number of experts who are qualified to give it. They are surely entitled to be given a definite deadline which, if achieved by them, will result in a contracting out certificate, even if only on a provisional basis. Present uncertainities make planning impossible.

DEVOLUTION

It would not be fitting for a major financial institution, with its Head Office in Scotland, to refrain from comment on the proposals for fundamental and far-reaching constitutional change now before Parliament. I view them with profound distrust and consider that, if they are implemented in their present form, they will lead almost inevitably to the break-up of the United Kingdom, which would advantage neither the Scots people nor our Company. To say this is not to deny the legitimate aspirations of Scots to be allowed to have a greater say in decisions which particularly affect their affairs, though I sometimes think the influence we already have is insufficiently recognised. What we desperately need is not another layer of government over our already top-heavy Local Government structure but greater local power and better government which can be achieved without setting up in Edinburgh an expensive Assembly, the exercise of whose functions, whatever the majority party in the Assembly might be, must be fraught with the danger of immediate and ever-growing conflict between Edinburgh and London.

We are a company based on Scotland, but we have a long history of operation throughout the world. We have had direct experience of working in small countries with strongly nationalist tendencies and we have found that, in such conditions, the results we could achieve for our local policyholders were not so good as when we could take a broader view and when we enjoyed a greater freedom of action. This did not affect our policyholders in other countries for we seek to maintain appropriate assets in each country in which we operate. For example, investment profits or losses in Jamaica did not affect the bonuses payable to our members in Canada or the United Kingdom. If, therefore, Scotland became a separate State, it would in no way affect our English, Irish or Canadian members, who would continue to enjoy the security of the same investments as they do at present. The overall profitability of the Company, however, would almost certainly be reduced and the loss would fall on Scottish shoulders. It is not for me to enter the political arena and to suggest an *alternative solution but I hope and trust* that, *in reaching any decision, we shall not* allow the canny business sense and shrewd realism for which the Scots have earned a reputation and positions of influence wherever they have settled, and to which we owe much of the success achieved over centuries by our small country, to be swamped by a passing wave of emotional nationalism.

CANADA

The current economic and financial situation in Canada is far from easy. The anti-inflation measures have been in force for just over a year and have succeeded in reducing the excessive wage demands and inflationary tendencies on which I commented a year ago. At the same time the economic recovery has not made the progress one would have hoped for at this stage. One reason is that growth in demand has everywhere been sluggish. Another, as in the United Kingdom, has been the inhibiting effect on investment of the limitation on profits inherent in the price control programme.

To these economic uncertainities must be added the prospect of a major political confrontation arising from the success of the Parti Québécois in the recent provincial election. As a company with its head office for Canada in the Province of Quebec but transacting business throughout the Dominion, we must hope that good sense will prevail. Much of what I have said earlier on the subject of devolution in Scotland can be applied, mutatis mutandis, to the Province of Quebec.

The year saw changes in our senior management. We took leave of our General Manager for Canada, Mr. G. T. Westwater, after some 43 years of service. Trained in Edinburgh he was sent to Canada at the end of the War to spear-head the planned expansion of our Canadian activities. He became General Manager for Canada in 1957 and has seen the size and influence of the company growing greatly from year to year. We salute him for his personal qualities as much as for his work and wish him health and happiness in his retirement. To succeed him the Board has appointed Mr. J. C. Burns to be President, Canadian Operations, and we wish him well in his new appointment.

VALUATION RESULTS

At the end of our financial year Stock Exchange prices were lower than the levels ruling at its beginning, with a consequent reduction in our investment reserve. Since 15th November the whole of this reduction has been more than recovered, evidence if such were needed of the volatility of market prices and their comparative irrelevance in judging the prosperity of Standard Life, viewed as a continuing business. The very decline in prices presented us with favourable investment opportunities and the earning power of our funds has been increased. We have maintained the rates of reversionary bonus for ordinary life assurances at the levels to which they were raised last year. Reversionary bonuses on policies which benefit from the freedom from taxation granted to our Pension Annuity Fund have been significantly increased, as also has the total sum which will be distributed by way of cash bonuses to holders of Group Life and Group Pension contracts. Our terminal bonuses will, this year, show a modest improvement over last.

In addition to the favourable investment conditions we have benefited this year from mortality experience being lighter than expected. We have decided to *reflect this by adopting the most recently published tables for assured lives, and to* strengthen the basis of valuing most of our annuity business by assuming lighter rates of mortality than those shown in the standard tables.

The cost of the bonuses which have been declared is, in round figures, £52,000,000. When one reflects that this sum exceeds the total amount of our funds a bare thirty years ago it shows how our company has grown and prospered over the years. It is no easy task to maintain the pre-eminent position to which we are accustomed and if inflation continues unchecked it would be foolish to assume that we could continue to earn profits for our members at these levels. I am, however, convinced that we are as well equipped to meet this uncertain future as any other company.

STAFF

This will be the last time I shall preside over our annual general meeting. I look back over the eight years during which I have held the office of Chairman, during which our assets have more than doubled, with natural pride in this great company which I have had the honour to serve and with confidence that my successor, Mr. A. M. Hodge, is taking over a well found ship. If there is one thing which has become ever more apparent to me in my tenure of office, it is how much of our success is due to the quality of our staff at all levels and to the highly developed team spirit which is to be found throughout our organisation whether at Head Office or in our branches at home or overseas. My last words must be of thanks, and these are no mere formality. I wish to thank our General Manager and his colleagues for the magnificent lead they have given to our progress and to say how much I value and have enjoyed the close personal relationships we have established in working together. Finally, I pay tribute and offer warm thanks to my colleagues, past and present, on the Board for their unfailing support and encouragement to me and for their important contribution to the success of the Company.

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Investment Trust Review

Published by The Association of Investment Trust Companies.

A new feature—and why

by David Hunter Johnston

Chairman, The Association of Investment Trust Companies

TODAY we begin a new feature. On the third Friday in each month (the fourth Friday next month, to avoid Easter) The Association of Investment Trust Companies will take a whole page of the Financial Times to provide a monthly Investment Trust Review. The lower part of the page will be occupied by the now familiar monthly table of net asset values; the upper part will carry an article written, usually, by someone outside the investment trust movement and a column contributed by a broker specialising in the investment trust market. Next month the main article will be contributed by Mr. Lewis Whyte, Chairman of the London and Manchester Assurance Co. Ltd. The broker's column will be supplied for the first three months by Mr. Jonathan D. Carr of L. Messel & Co.

The Investment Trust Review will thus provide three things:

The latest information about the net asset value of investment trust shares.

Brief comment from a specialist broker on recent developments in the market.

An independent and authoritative comment on investment affairs as they affect investment trust companies and their shareholders.

I emphasise the word "independent". Both our guest feature writers and the author of the broker's column will be free to write what they please. Occasionally (as now) the Association may have an announcement to make or something to say.

* * *

Investment trust shares are emerging from a period of undeserved disfavour. This is a time for reappraisal. What is the rationale of the investment trust movement? What do investment trust companies do for shareholders? What is the quality of investment trust management? What about the discount? And what are the prospects?

Objectives

Investment trust companies exist to provide a medium of collective investment whereby investors, small and large, personal and institutional, may participate in a flexible and diversified portfolio under professional management.

The investment objectives of investment trusts differ. Some cater primarily for those who require a relatively high and growing income from their investment; others for those who are chiefly interested in long-term capital growth; the majority try to maintain a balance between both these ends. A few trust companies have a split capital structure intended to provide for the needs of two kinds of shareholders through a single instrument. Some trusts pursue a policy of geographical specialisation and others a policy of industrial specialisation; but the great majority maintain portfolios which are well-diversified both geographically and industrially.

Diversification and professional management

Besides all the ordinary hazards of trade, an investor has nowadays to take account of political and economic events throughout the world, many of which are virtually unforseeable. When they occur they call for rapid adjustments of position, and it is difficult for a private investor to be comprehensively and punctually aware of all that he needs to know.

But diversification is much more than a defensive technique. It reduces the average risk to which a fund is exposed and offers participants a relatively secure form of equity investment. It also allows a fund to take an interest in a wide variety of attractive enterprises in different parts of the world.

Success in the management of a portfolio of investments depends largely on striking the right balance between selectivity and diversification. A portfolio which included every quoted stock in an amount proportionate to its market capitalisation, or (more realistically) one composed and continuously adjusted to be a representative sample of the market, would behave exactly like the whole, save for the loss of value caused by the costs of dealing. But selecting investments which, it is anticipated, will produce a better than average performance also creates the possibility that the result may be worse than average.

Fortunes can be made, if all goes well, by concentration on a handful of stocks; but if things do not go well fortunes are lost thereby. There have been plenty of illustrations of this in recent years, property shares being an example that comes immediately to mind.

But a portfolio of half a dozen equities, bought on the basis of insufficient knowledge and inadequately supervised, is not a safe place for anyone's savings. Only the very rich, a rapidly disappearing group, can arrange for the professional management of a personal portfolio. For others the answer lies in collective investment in one form or another, pooling many small amounts of capital into a fund for which diversification is a practical possibility and for which full-time management can be provided at an economic cost.

The collective investment fund is thus a natural and logical extension of the basic idea of the joint stock company with limited liability, the creative idea on which the economic development of the free world since the middle of the 19th century has been built.

There are two general purpose media of collective equity investment: investment trust companies and unit trusts. There are about 250 companies recognised as investment trusts under Section 359 of the Income and Corporation Taxes Act 1970 and, of these, 231 are members of The Association of Investment Trust Companies. On 31st December 1976 the assets less current liabilities of 206 investment trust companies included in the Bank of England statistics amounted to £5,918m. The average size of investment trust companies on 31st December 1976 was thus about £28.7m.

Management performance

Before considering how well collective investment works in practice, some preliminary observations need to be made.

a) The "performance" of a representative index is necessarily superior to the experience of all investors taken together, or to the performance of an actual portfolio having the same composition as the index. The movements of an index reflect the movement of mid-market prices and when it becomes necessary to change the composition of an index (because of amalgamations or liquidations, or to adjust the weighting) stocks are taken out or introduced at mid-market values. A real portfolio, however, whether static or growing, has to bear the loss of value occasioned by the jobbers' turn, brokerage, stamp duty, the 25% surrender rule (in respect of overseas investments) and, in most cases, tax on capital gains. It follows, *paradoxically*, that a performance which matches the index is better than average.

b) For the present purpose we compare the performance of investment trusts with the best available index of U.K. ordinary shares, without allowance for the overseas content of investment trust portfolios, because for the majority of investment trust shareholders direct investment in foreign securities is not a practical alternative.

c) We are concerned first to examine the performance of managements in handling investment portfolios, and therefore confine ourselves to asset performance as measured by net asset value.

d) The figures relate to the 50 constituent companies of the Financial Times-Actuaries Investment Trusts Index and have been calculated from public sources and from additional historical information supplied by the trusts concerned.

The table shows the asset performance to 31st December 1976 of the companies in the F.T.-Actuaries Investment Trusts Index compared with the F.T.-Actuaries All-Share Index. The figures are simple unweighted averages of the figures for the 50 constituents. There is, of course, a great range of variation between the best and the worst individual performances.

The investment trust companies outperformed the F.T.-Actuaries All-Share Index over all periods except the 2 year period to 31st December 1976. These figures demonstrate beyond dispute the merits of collective investment in diversified portfolios under professional management and show that investment companies have no need to fear comparison with any other medium in this regard.

The third column, which gives figure for share price performance, presents a different picture. The F.T.-Actuaries Investment Trusts Index under-performed the All-Share Index for all periods except the 3 year and 4 year periods to 31st December 1976.

The discount

The difference between management (asset) performance, and share price performance, reflects the fluctuating discount on net asset values and, especially, the much increased level of discount which has prevailed during the past few years.

Many influences have contributed to bring about a widening of the discount since about the middle of 1972 and there is not space in this article to discuss them adequately. Undoubtedly, however, one important factor during the past couple of years or so has been a wide-spread but mistaken belief that the management performance of investment trust companies has been poor. This we have shown to be untrue. The facts are now better and more widely appreciated than they were even a few months ago.

A more accurate appreciation of the management achievements of the management trust companies and of the advantages of having a stake in a portfolio substantially invested overseas, in a manner not otherwise possible for ordinary investors, has already led to a more realistic valuation of investment trust shares. Discounts have narrowed appreciably from the irrational levels which they reached in the early summer of 1976. This reappraisal has been accompanied by a number of projected takeovers which have themselves reflected a realisation that investment trust shares were in the bargain basement.

The future

This process of reappraisal will continue. Investment trust companies, like other sections of the market and, indeed like every part of the British economy, have their problems, but they have no reason to fear informed and searching comment, and managements welcome constructive suggestions from any quarter. The past few years have been uncomfortable at times but also exhilarating; and managements are on their toes. The economic and financial problems of the U.K., and indeed of the free world, are such that no one can guarantee success; but I am confident that whatever the next few years may hold in store, investment trusts will achieve results as good as those achieved by any other group of investors and that, in the future as in the past, investment trusts will prove a reliable and rewarding medium of investment for private individuals and institutions alike.

Percentage Changes

Periods to December 31 1976	Asset Performance: Average net asset performance of 50 investment trust companies	F.T.-Actuaries All-Share Index	Share Price performance: F.T.-Actuaries Investment Trusts Index
1 Year	+ 7.9	— 3.9	— 7.1
2 Years	+ 84.9	— 127.2	+ 105.1
3 Years	+ 16.4	+ 1.5	+ 7.6
4 Years	— 16.2	— 30.4	— 29.7
5 Years	+ 2.7	— 21.4	— 25.2
10 Years	+ 98.6	+ 61.5	+ 55.8

Aro... th... Ma...

by Jonath... L. Mes...

There has been ... anti-climax in th... month. Investors ... last autumn on t... discounts then p... were last month c... selves on their per... bid was announ... been disappointe... of trusts since Jan...

The surprise b... proposed merge... Globe, and the ... London Electric ... as numerous s... operations were ... trust market had ... average discoun... charges at marke... the investment ... having fallen fro... cent in the autum... the turn of the ... obstinately at ... reasons for this a... poor performanc... the dollar prem... under discussion... too clearly the ... high proportion ... assets consists of ... gains tax liabili... versial valuation...

The only re... interest was hea... Trust, followed ... the Guardian Ro... 14.6 per cent sta... trust discounts ... the outcome of ... bid: to outside... pity that the ... not made greate... success of this ... the recent inter... be snuffed out, ... kindled.

Net Asset Values

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Co... The figures, which are in pence except where otherwise stated, are unaudited.

Total Assets less current liabilities (1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges: at nominal value (6)	Net Asset Value after deducting prior charges: at market value (7)	Investment Currency Premium (see note g) (8)
					Pence except where £ stated (see note d)		
	VALUATION MONTHLY						
130.3	Alliance Trust	Ord. Stock 25p	28/2/77	6.35	239.6	240.5	30.9
23.1	Capital & National Trust	Ord. & "B" Ord. 25p	28/2/77	*3.5	142.7	148.3	17.0
8.1	Claverhouse Investment Trust	Ordinary 50p	28/2/77	3.2	81.1	81.1	1.0
8.2	Crossfriars Trust	Ordinary 25p	25/2/77	2.6	82.2	82.2	–
13.6	Dundee & London Investment Trust	Ordinary 25p	28/2/77	2.0	60.1	70.8	4.6
78.0	*Edinburgh Investment Trust*	Deferred £1	28/2/77	3.55	234.0	232.4	20.7
38.9	First Scottish American Trust	Ordinary 25p	1/3/77	2.35	x104.1	106.7	14.4
10.2	Grange Trust	Ord. Stock 25p	28/2/77	1.81	84.0	89.0	6.2
37.5	Great Northern Investment Trust	Ordinary 25p	28/2/77	3.45	113.5	116.4	7.8
54.7	Guardian Investment Trust	Ordinary 25p	28/2/77	1.56	90.1	95.2	7.9
78.4	*Investment Trust Corporation*	*Ordinary 25p*	28/2/77	4.04	243.2	240.8	30.9
76.9	Investors Capital Trust	Ordinary 25p	28/2/77	1.2	93.5	100.5	13.4
‡23.4	Jardine Japan Investment Trust	Ordinary 25p	28/2/77	0.8	180.8	186.8	33.5
50.3	London & Holyrood Trust	Ordinary 25p	28/2/77	2.7	129.5	133.5	18.0
21.6	London & Montrose Investment Trust	Ordinary 25p	28/2/77	4.5	215.7	220.5	30.7
41.2	*London & Provincial Trust*	*Ordinary 25p*	28/2/77	2.6	127.4	130.3	18.5
93.1	Mercantile Investment Trust	Ordinary 25p	28/2/77	0.95	41.2	46.9	2.2
	Do. Do.	Conv. Deb. 1983	28/2/77	£4.50	£64.50	£70.40	£3.30
46.0	Northern American Trust	Ordinary 25p	1/3/77	2.45	110.1	113.8	15.7
5.3	Save & Prosper Linked Invest. Trust	Capital Shares	28/2/77	–	111.2	111.2	–
99.8	*Scottish Investment Trust*	*Ord. Stock 25p*	28/2/77	2.05	111.0	115.2	16.9
†	Scottish Northern Investment Trust	Ordinary 25p	3/2/77	†	†	†	†
92.7	Scottish United Investors	Ordinary 25p	28/2/77	1.7	103.2	108.0	19.3
42.8	Second Alliance Trust	Ord. Stock 25p	28/2/77	4.75	203.6	213.6	26.8
3.1	Shires Investment Co.	Ordinary 50p	28/2/77	6.4	120.7	120.7	–
36.7	*Sterling Trust*	*Ordinary 25p*	28/2/77	4.65	200.4	208.6	27.2
23.6	Technology Investment Trust	Ord. & "B" Ord. 25p	28/2/77	*1.75	117.6	118.9	14.7
63.9	United British Securities	Ordinary 25p	28/2/77	6.85	284.3	287.0	35.5
	Baillie Gifford & Co.						
110.0	Scottish Mortgage & Trust	Ordinary 25p	28/2/77	2.4	130.0	138.6	17.6
84.9	Edinburgh & Dundee Investment	Ordinary 25p	28/2/77	3.5	168.9	173.2	22.8
54.2	Monks Investment Trust	Ordinary 25p	28/2/77	1.15	61.0	62.2	7.5
‡13.5	Winterbottom Trust	Ordinary 25p	28/2/77	3.75	234.6	248.9	34.3
	Baring Bros. & Co. Ltd.						
33.3	Outwich Investment Trust	Ordinary 25p	2/3/77	1.925	112.5	121.5	12.2
22.9	Tribune Investment Trust	Ordinary 50p	7/3/77	11.1	857.3	861.8	140.7
	Cripps Warburg Ltd.						
‡12.5	Sizewell European Invest. Trust	Ordinary 10p	28/2/77	1.4	87.4	87.4	8.0
3.4	Atlanta, Baltimore & Chicago	Ordinary 10p	28/2/77	0.25	w61.2	w61.2	w8.0
4.1	West Coast & Texas Regional	Ordinary 10p	28/2/77	0.5	w75.6	w75.6	w9.7
	Edinburgh Fund Managers Ltd.						
61.2	American Trust	Ord. & "B" Ord. 25p	28/2/77	†	49.3	51.8	4.1
18.3	Crescent Japan Investment Trust	Ordinary 50p	28/2/77	–	170.1	170.1	26.5
	Electra House Group						
150.2	Cable Trust	Ordinary 25p	28/2/77	5.7	166.5	166.7	9.7
	Do. Do.	Conv. Loan 1985/90	28/2/77	£6.25	£136.50	£136.60	£8.00
64.5	Electra Investment Trust	Ordinary 25p	28/2/77	3.6	120.4	122.5	8.8
119.1	Globe Investment Trust	Ordinary 25p	28/2/77	3.35	x111.3	x115.4	x6.1
	Do. Do.	Conv. Loan 1987/91	28/2/77	£5.50	£88.20	£91.50	£4.90
20.7	Telephone & General Trust	Ordinary 25p	28/2/77	8.5	x199.2	x211.6	x7.7
	Do. Do.	Conv. Loan 1987/91	28/2/77	£6.00	£79.80	£84.90	£3.10
9.9	*Temple Bar Investment Trust*	*Ordinary 25p*	28/2/77	§6.75	140.7	144.0	5.4
	Do. Do.	Conv. Loan 1985/90	28/2/77	£5.75	£112.50	£115.20	£4.40
	F. & C. Group						
‡15.3	Alliance Investment	Ordinary 25p	15/2/77	2.085	106.7	111.9	10.3
17.8	Cardinal Investment Trust	Deferred 25p	28/2/77	3.3	126.2	132.4	12.3
	Do. Do.	Conv. Ln. Stk. 1985/87	28/2/77	£6.00	£102.20	£107.20	£9.90
5.0	F. & C. Eurotrust	Ordinary 25p	28/2/77	0.6	57.1	57.1	10.4
‡151.2	Foreign & Colonial Invest. Trust	Ordinary 25p	28/2/77	2.9	184.7	194.7	29.0
†	General Investors & Trustees	Ordinary 25p	28/2/77	†	†	†	†
	James Finlay Investment Mgmt. Ltd.						
1.4	Provincial Cities Trust	Ordinary 25p	28/2/77	1.21225	29.5	29.5	–
	Gartmore Investment Ltd.						
5.3	Altifund	Income 50p	28/2/77	6.75	101.4	101.4	–
	Do. Do.	Capital 50p	28/2/77	0.3375	182.4	182.4	4.4
22.4	Anglo-Scottish Investment Trust	Ord. & "B" Ord. 25p	28/2/77	*1.5	50.7	53.9	5.0
15.8	English & Caledonian Investment	Ordinary 25p	28/2/77	2.3	93.6	97.6	8.8
23.6	English & Scottish Investors	Ord. & "B" Ord. 25p	28/2/77	*2.2	84.3	90.8	7.3
6.1	Group Investors	Ord. & Defd. 25p	28/2/77	1.55	w64.2	w68.4	w6.6
5.0	London & Gartmore Invest. Trust	Ordinary 50p	28/2/77	0.5	79.6	86.8	14.6
9.7	London & Lennox Invest. Trust	Ord. & "B" Ord. 25p	28/2/77	*1.05	87.6	92.0	11.2
19.0	London & Lomond Invest. Trust	Ordinary 25p	28/2/77	2.1	79.6	82.9	6.5
10.8	*London & Strathclyde Trust*	*Ordinary 25p*	28/2/77	1.25	49.3	54.0	6.8
9.5	Meldrum Investment Trust	Ordinary 25p	28/2/77	1.65	47.0	47.0	0.4
7.4	Menteith Investment Trust	Ordinary 25p	28/2/77	0.52	19.4	19.4	0.6
7.4	New York & Gartmore Investment	Ordinary 25p	28/2/77	0.3	41.0	41.0	3.9
	Gartmore Investment (Scotland) Ltd.						
65.8	Scottish National Trust	Ordinary 25p	28/2/77	3.05	170.1	174.3	22.3
16.0	Glasgow Stockholders Trust	Ordinary 25p	28/2/77	2.05	118.2	123.1	16.2
	John Govett & Co. Ltd.						
69.7	Border & Southern Stockhldrs. Tst.	Ordinary 50p	28/2/77	5.5	328.3	335.9	35.9
31.3	Debenture Corporation	Ordinary 25p	28/2/77	2.75	96.1	99.5	9.2
9.8	General Stockholders Invest. Trust	Ordinary 12½p	28/2/77	1.3	114.9	127.4	18.2
‡16.4	Govett European Trust	Ordinary 25p	28/2/77	1.6	79.1	79.1	10.2
51.3	Lake View Investment Trust	Ordinary 25p	28/2/77	1.65	102.6	107.3	12.0
	Do. Do.	Conv. Loan 1973/98	28/2/77	£4.00	£136.80	£143.10	£16.00
28.4	London & Aberdeen Invest. Trust	Prefd. & Defd. 5p	28/2/77	1.75	163.6	173.4	17.7
51.5	Stockholders Investment Trust	Ordinary 25p	28/2/77	1.65	104.3	110.1	13.5
	G.T. Management Ltd.						
15.3	Berry Trust	Ordinary 25p	28/2/77	0.625	69.9	69.9	16.3
	Do. Do.	Conv. Loan 1993	28/2/77	£4.25	£101.40	£98.40	£0.10
‡5.6	Northern Securities Trust	Ordinary 25p	28/2/77	2.45	122.1	129.1	11.8
12.9	G.T. Japan Investment Trust	Ordinary 25p	28/2/77	1.0	174.7	174.7	30.5
	Hambros Group						
19.9	Bishopsgate Trust	Ordinary 25p	28/2/77	4.4	197.2	208.4	13.7
3.0	City of Oxford Investment Trust	Ordinary 25p	28/2/77	2.4	61.9	69.7	–
‡42.0	Hambros Investment Trust	Ordinary 25p	28/2/77	3.0	104.1	117.0	9.0
9.2	Hellenic & General Trust	Ordinary 10p	28/2/77	1.638	48.8	55.2	–
4.8	Rosedimond Investment Trust	Capital 25p	28/2/77	–	69.2	69.2	0.6
	Henderson Administration Ltd.						
‡111.9	Witan Investment	Ord. & "B" Ord. 25p	28/2/77	*1.7	x99.6	106.5	x11.9
‡19.1	Electric & General Investment	Ordinary 25p	28/2/77	1.15	87.4	89.5	12.2
4.9	Greenfriar Investment	Ordinary 25p	28/2/77	1.2	97.2	97.2	9.9
‡4.4	Mendip Investment	Ordinary 25p	28/2/77	1.2	83.8	84.9	7.5

Total Assets less current liabilities (1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges: at nominal value (6)	at m... (7)
	Henderson Administrn. Ltd. (cont.)				Pence except where £ stat...	
5.2	Lowland Investment	Ordinary 25p	28/2/77	1.75	53.6	5...
1.8	English National Investment Co.	Prefd. Ord. 25p	28/2/77	1.5	29.3	3...
	Do. Do.	Defd. Ord. 25p	28/2/77	1.1	42.2	4...
	Philip Hill (Management) Ltd.					
17.2	City & International Trust	Ordinary 25p	28/2/77	3.3	108.8	11...
†	General & Commercial Inv. Trust	Ordinary 25p	28/2/77	†	†	
‡19.7	General Cons. Investment Trust	Ordinary 25p	28/2/77	3.1	91.7	9...
‡108.4	Philip Hill Investment Trust	Ordinary 25p	28/2/77	5.75	188.0	19...
3.8	Moorgate Investment Co.	Ordinary 25p	28/2/77	2.35	71.6	7...
34.0	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	28/2/77	6.45	239.0	25...
	Ivory & Sime					
91.4	British Assets Trust	Ordinary 25p	28/2/77	1.6	74.0	7...
29.8	Edinburgh American Assets Trust	Ordinary 25p	28/2/77	0.9	104.8	10...
30.7	Atlantic Assets Trust	Ordinary 25p	28/2/77	0.4	87.7	9...
13.6	Viking Resources Trust	Ordinary 25p	28/2/77	0.75	110.6	11...
	Leopold Joseph & Sons Ltd.					
3.2	Anglo-Welsh Investment Trust	Ordinary 50p	28/2/77	1.0	w52.8	w5...
5.1	Leopold Joseph Investment Trust	Ordinary 25p	28/2/77	1.4	w68.6	8...
4.3	Thanet Investment Trust	Ordinary 50p	28/2/77	2.4	w67.5	w7...
	Keyser Ullmann Ltd.					
28.3	Throgmorton Trust	Ordinary 25p	28/2/77	4.0	57.8	6...
9.4	*Throgmorton Secured Growth Tst.*	*£1 Capital Loan Stock*	28/2/77	–	–	12...
	Lazard Bros. & Co. Ltd.					
46.7	Raeburn Investment Trust	Ord. Stock 25p	28/2/77	3.35	149.4	15...
‡38.4	Romney Trust	Ord. Stock 25p	28/2/77	2.85	107.6	11...
	Martin Currie & Co., C.A.					
9.1	Canadian & Foreign Invest. Trust	Ordinary 25p	28/2/77	2.9125	126.6	13...
17.1	St. Andrew Trust	Ordinary 25p	28/2/77	3.85	135.1	14...
85.6	Scottish Eastern Investment Trust	Ordinary 25p	28/2/77	3.5	147.3	15...
22.0	Scottish Ontario Investment Co.	Ordinary 25p	28/2/77	3.35	151.0	15...
52.8	Securities Trust of Scotland	Ordinary 25p	28/2/77	4.8	200.2	22...
2.9	*Western Canada Investment Co.*	*Ordinary 25p*	28/2/77	13.0	832.3	84...
	Murray Johnstone Ltd.					
39.8	Caledonian Trust	Ord. & "B" Ord. 25p	28/2/77	*1.4	87.1	9...
60.5	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	28/2/77	*1.45	83.7	8...
16.6	Glendevon Investment Trust	Ord. & "B" Ord. 25p	28/2/77	*1.4	103.8	10...
5.6	*Glenmurray Investment Trust*	*Ord. & "B" Ord. 25p*	28/2/77	*1.45	ac81.5	ac8...
16.3	Scottish & Continental Investment	Ordinary 25p	28/2/77	0.6	w88.4	w9...
67.2	Scottish Western Investment	Ord. & "B" Ord. 25p	28/2/77	*1.95	104.9	11...
21.6	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	28/2/77	*1.6	95.9	10...
	Naydale Ltd.					
‡2.1	Simonside Investment Co.	Ordinary £1	28/2/77	0.7	84.4	8...
	Schroder Wagg Group					
18.7	Ashdown Investment Trust	Ordinary 25p	28/2/77	3.4	158.8	16...
	Do. Do.	Conv. Loan 1988/93	28/2/77	£4.75	£110.80	£11...
25.4	Broadstone Investment Trust	Ordinary 20p	28/2/77	4.5	163.1	17...
	Do. Do.	Conv. Loan 1988/93	28/2/77	£4.50	£108.70	£11...
44.4	Continental & Industrial Trust	Ordinary 25p	28/2/77	5.0	232.2	24...
‡25.6	Trans-Oceanic Trust	Ordinary 25p	28/2/77	4.2	191.7	20...
	Do. Do.	Conv. Loan 1988/93	28/2/77	£4.50	£120.50	£12...
11.8	Westpool Investment Trust	Ordinary 25p	28/2/77	2.35	121.7	12...
	Do. Do.	Conv. Loan 1989/94	28/2/77	£5.00	£109.50	£11...
	Stewart Fund Managers Ltd.					
59.3	Scottish American Investment Co.	Ordinary 50p	28/2/77	1.95	82.5	8...
11.7	Scottish European Investment Co.	Ordinary 25p	28/2/77	1.5	47.2	4...
	Touche Remnant & Co.					
83.2	Atlas Electric & General Trust	Ordinary 25p	28/2/77	1.3	64.2	67.3
27.1	*Bankers' Investment*	*Ordinary 25p*	28/2/77	2.0	65.1	68.1
18.2	C.L.R.P. Investment Trust	Ordinary 25p	28/2/77	1.6	73.0	77.3
‡26.9	Cedar Investment Trust	Ordinary 25p	28/2/77	2.1	74.3	77.2
31.8	City of London Brewery	Deferred 25p	28/2/77	2.1	30.1	[illegible]
26.6	Continental Union Trust	Ordinary 25p	28/2/77	2.3	133.5	[illegible]
145.8	*Industrial & General Trust*	*Ordinary 25p*	28/2/77	1.24	57.6	60.3
31.9	*International Investment Trust*	Ordinary 25p	28/2/77	2.34	w53.8	w59.8
41.3	Sphere Investment Trust	Ordinary 25p	28/2/77	2.5	125.4	131.3
40.2	Standard Trust	Ordinary 25p	28/2/77	4.9	156.3	163.0
29.2	Trust Union	Ordinary 25p	28/2/77	2.2	116.5	121.8
33.2	*Trustees Corporation*	*Ordinary 25p*	28/2/77	3.4	152.1	159.0
	VALUATION THREE-MONTHLY					
4.4	Kingside Investment Co.	Ordinary 25p	31/12/76	1.9	40.5	41.7
27.9	London Scottish American Trust	Ord. Stock 25p	31/1/77	4.16	153.3	162.0
7.7	Safeguard Industrial Investment	Ordinary 25p	31/12/76	3.1	65.4	67.8
48.9	United States Debenture Corpn.	Ord. Stock 25p	31/1/77	2.66	104.5	108.6
	Do. Do.	Conv. Loan Stk. 1993	31/1/77	£5.00	£114.90	£119.40
	City Financial Administration Ltd.					
3.9	Acorn Securities	Capital Ord. 1p	25/1/77	–	82.6	82.8
14.7	General Funds Investment	Ordinary 25p	25/2/77	4.1	177.2	182.7
	Do. Do.	Conv. Ord. 10p	25/2/77	–	148.8	158.5
12.1	"Investing in Success" Equities	Ordinary 25p	9/2/77	2.405	156.7	161.2
	Drayton Montagu Portfolio Mngmt.					
‡77.7	Drayton Premier Investment Trust	Ordinary 25p	28/2/77	6.0	231.4	242.0
	Do. Do.	Conv. Loan 1993	28/2/77	£7.50	£144.60	£151.80
	Do. Do.	"A" Conv. Loan 1993	28/2/77	£7.50	£143.80	£151.00
‡65.2	*Drayton Consolidated Trust*	Ordinary 25p	28/2/77	4.125	176.1	184.7
	Do. Do.	Conv. Loan 1993	28/2/77	£7.50	£140.80	£147.80
	Do. Do.	"A" Conv. Loan 1994	28/2/77	£6.50	£143.10	£150.10
	Do. Do.	"B" Conv. Loan 1994	28/2/77	£6.50	£146.00	£152.90
‡44.9	Drayton Commercial Invest. Co.	Ordinary 25p	28/2/77	4.0	155.3	161.4
	Do. Do.	*Conv. Loan 1986*	28/2/77	£8.25	£124.20	£129.10
12.3	English & International Trust	Ordinary 25p	28/2/77	3.15	107.2	113.9
	Do. Do.	Conv. Loan 1986	28/2/77	£7.00	£129.90	£139.00
‡8.0	Colonial Securities Trust	Deferred 25p	28/2/77	7.0	294.3	316.7
‡6.6	British Industries & Gen. Inv. Tst.	Deferred 25p	28/2/77	3.0	126.0	130.8
	Do. Do.	Conv. Loan 1994	28/2/77	£6.50	£140.00	£144.80
5.4	Drayton Far Eastern Trust	Ordinary 25p	28/2/77	0.8	45.2	45.3
‡3.0	City & Foreign Investment Co.	Ordinary 25p	23/2/77	–	67.5	67.5
	East of Scotland Investment Managers					
37.0	Aberdeen Trust	Ord. Stock 25p	31/12/76	4.025	150.5	161.5
10.3	Dominion & General Trust	Ord. Stock 25p	28/2/77	5.8	220.2	231.9
25.1	Pentland Investment Trust	Ordinary 25p	28/2/77	3.4	132.7	137.7
	Kleinwort Benson Ltd.					
2.5	Jos Holdings	Ordinary 25p	28/2/77	2.15	60.7	60.7
4.6	London Prudential Invest. Trust	Ordinary 25p	28/2/77	2.0825	71.8	74.8
43.0	Merchants Trust	Ordinary 25p	28/2/77	2.275	79.1	82.7

* Applies to Ordinary/"A" Ordinary only. § Includes special dividend. ac Adjusted for scrip issue. ar Adjusted for rights issue. † Company will announce year-end or interim results shortly. x, w See note (h) below. □ Valuation Two-monthly. ф Not directly comparable with previous published figure. B Dependent on "B" share conversions. ‡ Change in the prior charges since the previous published figure.

Notes:—

(a) Cols. 1, 6, 7 Quoted investments are valued at mid-market prices; unquoted at directors' valuation; both include 100 per cent. of any investment currency premium after taking into account the premium on any surplus or on any shortfall of foreign currency assets against foreign currency loans.

(b) Cols. 1, 6, 7 All revenue account items are excluded.

(c) Cols. 1, 6, 7 No account has been taken of any liability in respect of taxable gains which might arise on future disposal of investments.

(d) Cols. 5-8 Amounts are per share/stock unit or per £100 Convertible Loan Stock. Column 5 precisely stated; columns 6-8 to nearest one-tenth of a ... and 10p per £100 Convertible Loan Stock.

(e) Col. 5 Dividend is the last declared annual dividend or firm forecast, excluding imputation credit. Interest on loan stocks is stated gross ...

(f) Cols. 6-7 Prior charges are deemed to include preference share capital.

(g) Col. 8 The amount per share/stock unit represented by 100 per cent. of the investment currency premium applied in calculating the ... 6 and 7.

(h) Cols. 6-8 Convertible loan/preference stocks and warrants or subscription rights are treated in the way which produces the lower n.a.v. ... stocks are treated as fully converted at the rate for the next conversion date, or where a figure is marked "x" as prior charges ... subscription rights are treated as exercised, except where a figure is marked "w".

هكذا من الاصل

GENERAL MINING AND FINANCE CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

—UNAUDITED CONSOLIDATED PROVISIONAL ANNUAL FINANCIAL STATEMENTS

MARY	1976	1975
p income—before taxation	R107,118,000	R40,125,000
—after taxation	R 78,325,000	R32,534,000
me attributable to Equity reholders	R 34,486,000	R26,034,000
ngs per share	415c	440c
end per share	210c	210c
end cover	2.0	2.1
asset value per share	4,558c	3,963c
number of shares	8,319,236	5,916,736

ne Statement	Consolidated	
	R'000	R000
ting income	115,962	40,520
e from investments	42,730	20,002
is on realisation of investments	2,071	4,684
	160,763	65,206
ortisation of mining investments and mining assets	6,855	2,018
rest paid	32,312	14,861
loration and development cost	10,372	4,544
visions against investments, ances and other assets	4,406	3,658
	53,645	25,081
income before taxation	107,118	40,125
on	28,793	7,591
income after taxation	78,325	32,534
de shareholders' interest reference dividends	43,839	6,500
come attributable to ordinary eholders	34,486	26,034
ary dividends—interim— 90c.p.s. (90c.p.s.)	7,389	5,238
—final— 120c.p.s. (120c.p.s.)	9,853	6,985
e retained	17,244	13,811

NCE SHEET	1976	1975
shareholders interest	231,932	144,786
e shareholders' interest	271,211	41,373
Equity	503,143	186,159
apital	175,288	105,546
nce share capital—6%	500	500
d taxation	33,176	2,780
Employed	712,107	294,985
ment of Capital	189,990	135,035
ents—Listed		
—(Market value)	(362,932)	(211,137)
—Unlisted	51,767	11,433
—(Directors' valuation)	(136,031)	(25,030)
	241,757	146,468
nd mining assets	351,327	98,786
assets	429,072	164,651
	1,022,156	409,905
liabilities	310,049	114,920
ets	712,107	294,985

lf of the board
VILLIERS DIRECTORS
RK
7th March 1977

issued share capital was increased during the year from 6,736 shares to 8,319,236 shares of which 2,400,000 shares e allotted to Federale Mynbou Beperk in exchange for 22,240 shares in Union Corporation Limited (Unicorp). This rest together with a 5.2 per cent interest held by Sentrust ited was placed in an investment subsidiary of General ing and Finance Corporation Limited (General Mining) s making Unicorp a subsidiary of General Mining.

ordinary share capital of Unicorp was increased during the from 58,100,000 to 60,876,757 shares and in terms of a me of arrangement Geduld Investments Limited became a idiary of Unicorp.

consolidated results for 1976 include the results of the wing companies which became subsidiaries during the year ely, Geduld Investments Limited, Evelyn Haddon & Company ted, Kohler Brothers Limited, African Coasters Holdings ted, Darling & Hodgson Limited, Sappi Limited (including A Holdings (Pty) Limited and Carlton Paper Corporation ted which became subsidiaries of Sappi).

results of Unicorp in which General Mining holds an effec- interest of 45.48 per cent have been consolidated with e of General Mining for the full year.

ng the year General Mining increased its interest in m Africa (Pty) Limited to 94.1 per cent, while the in- ts in the subsidiaries Africair Limited, Bencor (Pty) ed and Rolux (Pty) Limited were sold. Group profit was naterially affected by these changes.

increase in the securities-rand discount during the year d a further possible loss on the sale of assets abroad (for nption of a foreign loan) of R7,013,000 (in the previous the amount was R1,317,000 which was capitalised against nvestment in Union Corporation). The amount has been ed to the provision for future exchange rate and interest ations and the resulting balance of R2,154,000 which l not be absorbed by the provision, has been written off st profit. The provision against the possible loss on the ation of assets abroad of R8,330,000 has been deducted the book and market value of listed investments. The arative figures have been adjusted accordingly.

cost of control is the net difference between the book of investments in subsidiaries and the book value of the ssets of those subsidiaries. The cost of control amounting 36 million arising on consolidation of Union Corporation een allocated to the book value of listed investments as investments were not revalued at the date of acquisition. Group's additional liabilities are as follows:

	1976	1975
ngent liabilities	R000	R000
Capital commitments	40,375	4,969
—Contracts concluded	36,153	29,368
—Contracts authorised by the Directors	57,838	18,059
—Amounts uncalled on Investments	2,627	1,402

result of the changes mentioned in notes 1, 2 and 3, the s for 1976 are not readily comparable with those of the ous year.

DECLARATION OF DIVIDEND

IS HEREBY GIVEN that a final dividend No. 102 (Coupon of 120 cents per share in respect of the year ended 31, 1976 has been declared payable to members registered se of business on April 1st, 1977 and to Holders of share to bearer surrendering Coupon No. 104.

register of ordinary shareholders will be closed from 1977 to April 15th 1977, both days inclusive.

structions involving a change of the office of payment will d after April 1st, 1977.

dividend is declared in the currency of the Republic of ica. Payments from the United Kingdom office will be United Kingdom currency at the rate of exchange ruling 25th, 1977, or on the first day thereafter on which a rate ge is available.

esident shareholders' tax of 15% will be deducted from payable to shareholders whose registered addresses are e Republic of South Africa.

end warrants will be posted by the transfer secretaries l below, on or about May 5th, 1977.

ull conditions of payment may be inspected at or obtained head office or the offices of the transfer secretaries of ny.

f the board,
SON, Secretary
e
Street
urg 2001
61820,
wn, Tvl. 2107)

ffice
ouse,
n Street,
C2V 7EN

h, 1977

Transfer Secretaries
South Africa:
Consolidated Share Registrars Limited,
62 Marshall Street,
Johannesburg 2001
P.O. Box 61051,
Marshalltown, Tvl. 2107)

United Kingdom
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street, Ashford,
Kent TN24 8EQ

APPOINTMENTS

Financial Director

for a well-known company long established in the UK, with substantial interests in consumer-orientated manufacturing and retailing. Turnover is approaching £50m.

- THIS is a key role. Besides contributing to the development of company corporate strategy it involves total responsibility for the full range of accounting, support functions, and for data processing and financial staff management. There are excellent prospects for further career development.
- THE requirement is for a qualified accountant whose business skills have been extensively developed in a similarly consumer-orientated environment. This should have been at a senior level and must include a detailed knowledge of the application of computerised control systems.
- INITIAL salary £12,500–£15,000 plus car. Preferred age 35 to 40.

Write in complete confidence
to J. B. Tonkinson as adviser to the company.

TYZACK & PARTNERS LTD
10 HALLAM STREET · LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE · EDINBURGH EH2 4DN

Managing Director

for an important international engineering company with a number of subsidiaries, manufacturing and marketing a range of agricultural and livestock farming and other equipment, for which there is a world-wide demand. Strong financial and technical resources are available to sustain further profitable growth.

- A DEMONSTRABLE record of high profit performance, as chief executive of a comparable enterprise, is the prime requirement. An engineering qualification and experience of marketing agricultural and farming equipment internationally are also important.
- TERMS are for discussion based on a salary negotiable circa £20,000 plus generous fringe benefits.

Write in complete confidence
to K. R. C. Slater as adviser to the group.

TYZACK & PARTNERS LTD
10 HALLAM STREET · LONDON W1N 6DJ
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for a well-established group based in Southern England comprising companies engaged in speculative house building and contracting in the private and public sectors. Turnover exceeds £20 million.

- THE role is to assume overall responsibility for the profitable development of the group and to provide cohesive leadership to the constituent companies which have a large measure of autonomy.
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COMPANY NOTICES

CURACAO DEPOSITARY RECEIPTS OF PIONEER ELECTRONIC CORPORATION

With reference to the advertisement published on 30th August, 1976 the undersigned, being the agent of Caribbean Depositary Company N.V., announces that the original shares resulting from the free 25% share distribution have now been received. Curacao depositary receipts representing these original shares will be available to holders of outstanding CDRs against surrender of Coupon No. 14 as from 24th March, 1977 free of charge at the office of the undersigned. Surrender of Coupon No. 14 is to take place in such numbers that CDRs of 5, 10 or 100 depositary shares or multiples thereof may be obtained.

If after 22nd June, 1977 any coupons No. 14 are still outstanding, the underlying shares will be sold and the proceeds will be paid in cash less charges. Moreover the company have declared a cash dividend of Yen 24 per share for the financial year covering the period 1st October, 1975–30th September 1976 which will be payable as from 24th March 1977 at the office of the undersigned. This distribution which has been converted into U.S. dollars pursuant to Section 4 of the deposit agreement, will be available to holders of CDRs against surrender of Coupon No. 15 less 20% Japanese withholding tax, to the effect that per CDR evidencing

5 Depositary shares US Doll	5.25	(US Doll 3.45)
10 Depositary shares US Doll	6.50	(US Doll 6.90)
100 Depositary shares US Doll	65.00	(US Doll 69.00) is paid.

The amounts stated between brackets represents the dividend less 15% Japanese tax. These dividends will be paid until 16th May, 1977 but only on condition that the coupons to be surrendered will be accompanied by an affidavit (obtainable with the undersigned), evidencing that the beneficial holders of the CDRs are residents of a country which has concluded a tax treaty with Japan. In the Netherlands dividends will be paid to residents in Netherlands currency at the daily rate of exchange unless otherwise instructed.

PIERSON, HELDRING & PIERSON N.V.
Amsterdam 15th March 1977

LEGAL NOTICES

THE COMPANIES ACTS 1948 to 1967
NEW BURLINGTON ESTATES LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at The Offices of Arram Berlyn, Gardner & Co., 37/41 Mortimer Street, London W1N 7RJ, on Wednesday, the 23rd day of March 1977, at 12 o'clock noon, for the purposes mentioned in sections 294 and 295 of the said Act.

DATED this 15th day of March 1977
By Order of the Board.
R. ARTHUR LEADER,
Director.

CLUBS

EVE, 189 Regent Street. 734 0557. A la carte or All-in Menu. Three Spectacular Floor Shows. 10.45, 12.45, 1.45 and music of Johnny Hawkesworth & Friends.

GARGOYLE, 69 Dean Street, London W.1. NEW STRIPTEASE FLOOR SHOW THE GREATEST BRITISH STRIP Show at Midnight also 1 a.m. Hostesses Mon.-Fri. Closed Saturdays. 01-437 6455

INTERNATIONAL APPOINTMENTS

ELECTRICAL ENGINEER FOR FAR EAST

A leading Swiss firm in the Far East, representing several well-known European manufacturers of electrical and mechanical equipment, has an interesting opening for an electrical engineer (preferably with power generation and distribution background) with commercial experience as Assistant Manager of the Engineering Division.

The main duties of the successful candidate will be to advise clients, and to act as sales engineer.

Applicants should possess thorough training and previous experience in a similar position and should, if possible, have dealt with English-speaking markets before. Other requirements are: fluency in English and German; preferably Swiss or German nationality. Candidates may be single or married; age not below 28.

The liberal terms granted by the company include many fringe benefits, bonus payment and generous home leave terms. For a well-qualified candidate, who is keen to make his career in the Far East, this position offers an opportunity of promotion to Division Manager within three years.

Applicants are invited to write to the undermentioned address, giving details of experience and qualifications, with curriculum vitae, handwriting specimen and recent passport photo. Further information about this vacancy can be freely obtained over the phone under guarantee of strict confidence.

Dr. A. Gaugler
Alfred-Escher-Strasse 26, No. of Reference 924
CH-8002 Zürich

Phone 01 36 16 36 (from Switzerland) or 00 411 36 16 36 (from Germany), Monday to Friday 11-12 a.m. and 4-6 p.m., except Friday afternoon.

LAGOS, NIGERIA

A LEADING INTERNATIONAL BANK

in association with local interests, is offering the following appointments in a new Commercial Bank, opening shortly in Lagos.

1. **At Senior Management Level: Age Range 35/45 years**
   —A Chief Inspector with 3 to 5 years' experience.
2. **At Middle Management Level: Age Range 30/40 years**
   —A Chief Accountant
   —A Manager for Foreign Transactions
   —A Manager for International Business Development
   —A Chief Auditor
3. **At Branch Level:**
   —A Branch Manager in Ilorin (Age Range 35/45 years)
   —A Branch Sub-Manager in Ilorin (Age Range 30/40 years)

Generous salaries and substantial fringe benefits will be offered to successful applicants.

Interviews will be held in London, and handwritten applications should be sent to Mrs. Quill at 105, Old Broad Street, London, EC2.

COMPANY NOTICES

BARLOW RAND LIMITED
PREFERENCE DIVIDEND NO. 82

NOTICE IS HEREBY GIVEN that a Preference Dividend at the rate of 6% per annum for the half year ending 31 March 1977 (amounting to six cents per preference share) has been declared payable to all preference shareholders registered at the close of business on 7 April 1977.

The transfer books and registers of preference shareholders will be closed from 8 April to 15 April 1977, both days inclusive.

Dividend warrants will be posted to shareholders on or about 30 April 1977.

In terms of the South African Income Tax Act, 1962, as amended a non-resident shareholders' tax has been imposed on dividends payable to:

(a) Persons, other than companies, not ordinarily resident nor carrying on business in the Republic.

and

(b) companies which are not South African companies;

and the company will accordingly deduct the tax from dividends payable to shareholders whose addresses in the preference shareholders' register are outside the Republic.

By order of the Board.
W. C. WARRINER
Secretary.

Registered Office:
33 de Beer Street,
Braamfontein,
2001
South Africa.
Transfer Secretaries:
Rand Registrars Limited,
2nd Floor, Devonshire House,
49 Jorissen Street,
Braamfontein,
2001,
South Africa
19 March 1977

TAISHO MARINE AND FIRE INSURANCE COMPANY, LIMITED

DEPOSITARY RECEIPTS TO BEARER
(issued pursuant to the Deed Poll dated 28th July, 1961)
Notice of adjourned meeting of the holders of the Certificates evidencing Depositary Shares each representing 10 Shares of Common Stock of 50 Yen each

NOTICE IS HEREBY GIVEN, pursuant to Clause 4 of the Second Schedule to the Deed Poll (the "Deed Poll") dated 28th July, 1961 and made by Hambros Bank Limited (the "Depositary") as modified and supplemented by the supplemental conditions endorsed on the certificates (the "Certificates") that the meeting of the holders of the Certificates ("LDR Holders") convened for 9th March, 1977 for the purpose of considering, and if thought fit, passing an Extraordinary Resolution, with the assent of the Depositary, to sanction and agree to the modification and arrangement in respect of the rights of the LDR Holders occasioned by the rights of the LDR Holders being varied so as to rank *pari passu* in all respects and rateably with the rights of the holders of European Depositary Receipts ("EDRs") issued by the Depositary pursuant to the Deposit Agreement dated 17th September, 1976, and made between Taisho Marine and Fire Insurance Company, Limited and the Depositary, to the intent that the LDR Holders shall be treated for all purposes as though they were holders of EDRs and to authorise and direct the Depositary to execute all such deeds and documents as it may deem requisite to give effect to the foregoing, has been adjourned for want of a quorum. The adjourned meeting will be held to consider and if thought fit pass the Extraordinary Resolution mentioned above at 51 Bishopsgate, London, EC2P 2AA on Tuesday, 29th March, 1977 at 11.00 a.m.

To attend the adjourned meeting, LDR Holders or their representatives must either produce their Certificates or voting tickets. Voting tickets may be obtained by depositing Certificates with the Depositary or with Kredietbank S.A. Luxembourgeoise at their respective addresses specified below not later than 2 working days before the time appointed for the holding of the adjourned meeting. Voting tickets issued for the meeting on 9th March, 1977 remain valid for the adjourned meeting.

Hambros Bank Limited,
Stock Counter,
41 Bishopsgate,
London, EC2P 2AA.

Kredietbank S.A.,
Luxembourgeoise,
37 rue Notre-Dame,
Luxembourg.

The LDR Holders present at the adjourned meeting whatever their number and whatever the number of Depositary Shares represented by the Certificates held by them will form a quorum and will have the power to pass the Extraordinary Resolution.

Copies of a circular to LDR Holders setting out the Extraordinary Resolution and giving more information on the arrangements are available on application to the Depositary or Kredietbank S.A. Luxembourgeoise, and copies of the Deposit Agreement dated 17th September, 1976 together with specimens of the EDRs proposed to be issued and exchanged for the Certificates may be inspected at each of the abovementioned addresses.

Dated 18th March, 1977.

Hambros Bank Limited
Depositary

INTERCOM
SOCIETE INTERCOMMUNALE BELGE DE GAZ ET D'ELECTRICITE
Société anonyme
Place du Trône 1, Brussels, Belgium

The payment for the financial year 1976 of a dividend of BF 142, net of Belgian withholding tax, will be proposed to the annual general meeting of shareholders of May 20th, 1977.

A net dividend of BF 129 per share had been attributed for the financial years 1973, 1974 and 1975.

Within the framework of the law of December 24th, 1976, the attribution of the dividend of BF 142 for 1976 is depending on the agreement of the extraordinary general meeting of 6th May next on a capital increase.

ANGLOVAAL GROUP

CLOSING OF TRANSFER BOOKS AND REGISTER OF MEMBERS

The transfer books and register of members of CONSOLIDATED MURCHISON LIMITED will be closed from 14 to 20 April 1977 for the purpose of determining those persons entitled to attend the Annual General Meeting of the members of that Company.
18 March 1977

INTERNATIONAL INVESTMENT TRUST COMPANY OF JERSEY LIMITED

NOTICE IS HEREBY GIVEN that the Register of Members of the above Company will be closed from the 22nd March 1977 to the 1st April 1977 both dates inclusive.

By Order of the Board
for The Royal Trust Company of Canada (C.I.) Limited, Secretaries and Registrars.

PUBLIC NOTICES

H. M. LAND REGISTRY

LOST CERTIFICATE

It is proposed to issue a new Certificate to replace the one described below that is stated to have been lost or destroyed. Anyone possessing the missing certificate or objecting to the issue of a new one should at once notify H. M. Land Registry, Lincoln's Inn Fields, London WC2A 3PH.

Charge Certificate. Leasehold Title No. LN 224644, 2 Fore Street, London, E.C.2. Proprietor Unitholders Provident Assurance Ltd.

OXFORDSHIRE COUNTY COUNCIL

£6.25 Million Bills issued 16th March 1977 due 15th June 1977 at 10⅝%. Applications totalled £54m. Bills outstanding £6.25m.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Thyssen stays in black, 'will pay a dividend'

BY NICHOLAS COLCHESTER

SUPPORTED BY its trading and manufacturing activities, August Thyssen-Huette, the largest of the West German steel groups, has managed to stay in the black in the first half of the business year that will end on *September 30, 1977. Despite the* very poor state of the steel market Thyssen's management still hopes to make a profit for the whole year and to pay a "friendly dividend."

In the first quarter of the current *business year, Thyssen's* steel output was running at 960,000 tonnes a month compared with its monthly average for crude steel of 1.1m. tons in business year 1975-76.

The second quarter output is expected to be of the same order as that in the first. Last year Thyssen made a loss in the crude steel area of about DM50m. Another loss is expected in 1976-1977.

The special steel market has been, *in general, more profitable* because the added value is higher and the import competition not so damaging. The continuingu strength of the German car market has been a help here. Thyssen made a small loss in the *special steels* area in the first half of the year, but expects to make a profit in the second half.

The management admitted to having been over-optimistic about the steel market last autumn, but its guess is that conditions will slowly improve. Dr. Heinz Kriwet, a director, thought that the gradual improvement in *the industrialised economies* would gradually overcome a tendency among steel users to run down their stockpiles in anticipation of lower prices.

A turnover of DM20bn. or thereabouts is expected for the current business year, which will be almost unchanged from the sales figure for 1975-76 of *DM20.39bn. (DM21.36bn. in the* previous year). The average monthly turnover in the first quarter of the business year was DM1.64bn.—a rate that continued into the first two months of 1977.

The lack of turnover growth *has had consequences for* Thyssen's workforce, particularly at a time when the company is putting an increasing proportion of its capital investment into rationalisation rather than expansion of production *facilities. The workforce at the* end of the year was 137,192, and had fallen by the end of February to 136,000. Meanwhile, short-time working has been on the increase and affected 13 per cent. of the workforce during February.

The managment said that it would be investing DM1.3bn. in 1976-77, against DM1.1bn. last year. But it also made the changing character of Thyssen's investment clear. Whereas 28 per cent. was aimed at increasing output in 1971, this proportion was down to 9 per cent. *last year.*

Thyssen's profit last year was *DM274.9m.* after tax, up from DM243.5m. in 1974-75 but down from DM340m. in the year before that. The company will pay a 14 per cent. dividend for 1975-76, but the management says that it is too early to predict what the pay out will be on the smaller *profit that is in prospect for* 1976-77. It left the impression, however, that it would attempt to preserve dividend continuity by making the cash dividend together with the newly introduced tax rebate coupon equal *to last year's 14 per cent.*

Meanwhile, Fried. Krupp Huettenwerke, the steel making subsidiary of Krupp, reported in a preliminary round-up of 1976 that although its operating results were a clear improvement *on those of the previous year,* it had still been in the red. Its management reported that steel output was currently extraordinarily low, though it, like Thyssen, expected the market to pick up later in the year.

The Krupp subsidiary's turnover last year was about DM3bn., up from DM2.6bn. in the previous year. Its crude steel production was 4.1m. *tons against 3.4m. tons* in 1975.

Flat glass boosts St. Gobain income

BY DAVID CURRY — PARIS, March 17.

THE PARENT company of the St. Gobain-Pont-a-Mousson group recorded a sharp increase in operating profit in 1976 but the overall net result fell short of the 1975 level which was heavily inflated by exceptional gains.

The main reason for the improvement from Frs.182m. to Frs.289m. in operating income was the stronger performance of the group's flat glass activities in Germany. However, extraordinary gains were worth only Frs.64m. last year against Frs.158m. for the year before when tax reimbursements, sales of holdings out of portfolio and disposal of property were all substantial. The relative contributions to earnings in 1976 represent a return to more normal *patterns.*

With the company retaining earnings of Frs.264m., total 1976 distributable profit worked out at Frs.580m.

The directors are recommending that the reserves should be increased by Frs.42m. and that Frs.270m. should be distributed to shareholders. The remainder will be added to retained earnings which will thus move to Frs.268m. This will mean a total per share income, including a Frs.4.55 tax credit, of Frs.13.65 compared with a pay out last year of Frs.253m. yielding Frs.12.75 per share.

Group results, published a month ago, showed a Frs.450m. net profit after a Frs.270m. conversion loss following the restatement of the balance sheet of overseas companies in French francs. Its main sales generator and profit earner last year was the building materials division which includes the important glass activities directed at the motor industry which had an exceptionally good year in 1976. Ever-important areas of the group include piping and engineering, glass and paper packaging, contracting and servicing.

Libyans appointed to Fiat Board

ROME, March 17

THE final chapter in the £252m. deal between the Turin-based Fiat group and the Libyan Government announced last December was reached today with the appointment of two Libyan representatives on the Fiat Board.

The Italian group reported today that Mr. Regeb Misellati, chairman of the National Investment Company of Tripoli, and deputy governor of the Libyan Central Bank, and Mr. Abdulla Saudi, chairman of the Libyan Arab Foreign Bank, have been elected to sit on the 15-man Fiat Board.

Mr. Saudi was the chief negotiator for the Libyans in the deal with the Italian group which sees the Libyan Arab Foreign Bank take an initial 9 per cent. stake in Fiat thus becoming the second biggest shareholder in Italy's largest private enterprise.

Mr. Misellati also has been appointed to sit on the company's five-man executive committee which meets twice a year.

The two Libyans replace on the Fiat Board Sig. Guido Colonna *di Paliano*, a close advisor of Fiat chairman, Sig. Giovanni Agnelli, and a former Italian Ambassador whose resignation was announced by the company today, and the seat vacated by Sig. Carlo de Benedetti, *the* Fiat managing director who resigned last September after a senior management row.

Although Sig. Colonna di Paliano is leaving the Fiat Board, it is understood that he will retain the chairmanship of the Rinascente department store group — in which the Agnelli private financial holding company, IFI, holds a majority 15 per cent. stake.

EURO-YEN

Japan 'to autho[rise] first bond issue'

BY DOUGLAS RAMSEY — TOK[YO]

JAPAN is to authorise the European Investment Bank to undertake the first yen bond issue on the *Euro-market*, banking sources in Tokyo confirmed this afternoon. The bank's issue could *come as soon* as late April or May, and represents a first tentative step in the direction *of* a Euro-yen market, hitherto opposed by the Ministry of Finance.

Japanese banks estimate there are about $8bn. *worth of free* (non-residents) yen circulating in Japan and a further $2bn. worth of short-term yen in Europe.

The Ministry circulated guidelines this week for Euro-yen borrowings to Tokyo bankers and dealers in which officials made clear their intention of keeping a *close watch* on any such borrowings. The Ministry has ruled that only international institutions which have borrowed on the yen-denominated foreign market in Tokyo are eligible—that is the bank, the World Bank *and the Asian* Development Bank.

The guidelines also stipulate that Euro-yen placements must have a Japanese institution as lead manager. In the case of the Europlan Investment Bank borrowing, Daiwa Securities will *do the* honours and the Industrial Bank of Japan is a front-runner for co-manager status.

The guidelines also state clearly that foreigners cannot raise yen funds on offshore markets without Ministry permission, a legal stance which observers doubt would hold in an international court.

Japanese sources say the European Investment Bank borrowing will be worth $30m. to $50m., or about the same or slightly *more* than the Y10bn. the bank borrowed on the Tokyo yen-dominated bond market last September. A[t] ... EIB issue was ... marketability ... World Bank an[d] ... Japan is a mem[ber] ... not exempt fro[m] ... on its yen iss[ue] ... issue, on the o[ff] ... almost tax-exem[pt] ...

The terms of ... ment will not ... late in April, ... Tokyo are ... whether the sy[n] ... issue at above ... cent. On the ... strength on in[t] ... markets this we[ek] ... feel the Eur[o] ... could carry a ... coupon (assum[ing] ... to maturity).

Pressure to ...

Since there ... market in Euro ... underwriters ... on a premium ... that by keeping ... than 8 per cen[t] ... greater interest ... in the longer te[rm] ... the developme[nt] ... yen market.

The Ministry ... on Daiwa to ... little higher th[an] ... order to keep ... disparity betwe[en] ... and yen-dem[ominated] ... bond rates in ...

One banker ... rations of the ... to the Minist[ry] ... pects that ... several Europ[ean] ... manage the ... rely mainly on ... active in ... because they ... handling "no[n-] ... sovereign ... holding tax" ...

Problems at Triomf plant

BY OUR OWN CORRESPONDENT — JOHANNESBURG, March 16.

SOUTH AFRICA'S mercurial entrepreneur, Louis Luyt, who *is the driving force behind the* country's new daily newspaper, The Citizen, has other worries on his mind. His power-base is in the domestic fertiliser business, where with the help of his powerful allies, the country's large farming co-operatives, he has sewn up over 50 per cent. of the market. His Triomf Investment company, in which he personally owns a 30 per cent. interest and the Co-Operative's 43 per cent. makes between R8m. and R10m. pre-tax annually.

The problems stem from Triomf's ambitious construction of a R100m. phosphoric acid plant at Richards Bay. Triomf's 49 per cent. partner in this venture is the giant chemical and explosives company, AECI, 40 per cent. owned by ICI, who together conceived this export-orientated plant during the 1972 to *1973 boom in phosphoric acid* prices. The *project* was planned as a highly geared operation with an expected quick pay-back period. A ten year contract to take 300,000 of the 400,000 tonne production was arranged with the French group, Gazocean, which is currently undergoing a capital reconstuction.

Higher sales by Siemens

MUNICH, March 17.

SIEMENS AG world consolidated group sales rose to DM8.7bn. in the first five months of the year ending September 30, 6 per cent. up on the same 1975-76 period, Mr. Bernhard Plettner, manag*ing board chairman, said to-day.*

He told the annual meeting that incoming orders rose 17 per cent. to DM10.3bn. and said he expected a five per cent. sales rise for the whole year from DM20.68bn. in 1975-76.

On the controversy over German nuclear power stations, Mr. Plettner said Siemens does not think it has been saddled with a millstone through its take-over from the beginning of the year of the entire capital of power station manufacturer Kratwerk Union AG.

KWU's orders in hand total DM26.1bn., of which DM14.6bn. are from Germany.

Reuter

EUROBONDS

Interesting at Inchcape

BY TONY HAWKINS

QUIET, but steady conditions prevailed in the dollar sector of the secondary market yesterday but continuing demand was noted for floating rate notes. Two recent floaters to improve were UBAF at 98¾/99¼ and Allied Irish which moved slightly better to 98½/99.

An interesting situation has arisen with regard to the $25m. Inchcape convertible issue which closes to-day as the price on the London Stock Exchange has moved ahead of the price of 385p which is the maximum level set for the conversion price.

The Press statement on the Inchcape convertible offering *says that the conversion price* "is expected to represent a premium over the market price of the *shares on the date when the* bonds are formally offered but which will not exceed 385p." In the event, as the price on the Stock Exchange has moved up to 390p, the maximum conversion price now implies a discount rather than a premium, but suggestions that the maximum price might now be raised were discounted by the managers.

Better year for Georg Fischer

BY OUR OWN CORRESPONDENT — ZURICH, March 17.

GROUP *results of the* Georg Fischer engineering concern should have returned to profit *last year, despite a slight fall in* turnover because of shifts in *exchange rates. This was said* by Dr. Robert Lang, president of the Swiss parent company, Georg Fischer Ag, of Schaffhausen, in an interview with the Schweizerische Handels-Zeitung.

SOUTH AFRICA BANKING CRISIS

Lending policies backfire

BY RICHARD ROLFE IN JOHANNESBURG

EVERY BANKING crisis such as South Africa has experienced in the past few months no doubt has its deep-seated origins as well at its immediate cause. However, the overseas observer *of the Republic might be sur*prised to hear that the crisis which has developed, and is now, it seems, almost over, has little connection with the country's racially based politics, but is largely related to dubious *property loans. Though the weak* property market owes much to politics, the main problem for the banks has been injudicious past lending policies. Indeed, looking back on the last three years it is possibly ironic that though the banking system has easily withstood shocks such as the Portuguese revolution, or the Cuban-MPLA victory in Angola, or the township riots, it was brought to such a parlous state by loans amounting *in total* to no more than about R300m.

The immediate cause has been the collapse of the biggest township developer, Glen Anil. Township development in this context, has nothing to do with the black townships, but is concerned with the provision of building stands for white South Africans. The developers built up huge *land stocks* in the boom years of the 1960s and the first serious signs of oversupply were apparent in 1974, when Corlett Drive, which owed Barclays National R24m., was put into judicial management. A smaller *developer, Van Achterberg,* owing R8m. to the major Afrikaner bank, Volkskas, went into judicial management and subsequently into liquidation last September.

But the event which sparked *off the banking and property* crisis proper was publication of Glen Anil's annual report, last October, with a qualified auditors' report casting doubt on the value of its land stock.

This caused a run on the *shares*—which were eventually suspended—while the company, owing about R100m., was forced into a moratorium with the eight banks to which it owed money because of its inability to meet interest payments and other outgoings.

The effect of the shock was heightened by the fact that Glen Anil had always been superficially the *soundest* of the developers. Its former chairman, Dr. Eddie Rubenstein, was the doyen of the industry and the company boasted that it never accounted for a rand of profit until it was in the bag—in contrast to some of the opposition who, selling on deed of sale over a period of years, would bring in the bulk or all of the profit when the first down payment was received.

There were hopes for some *months that Glen Anil could be* saved. But, in the event, strains emerged within the eight-member bank consortium, which comprised Barclays National, Bank of Johannesburg, Hill Samuel SA, Nedbank, Trust Bank, Standard Bank, *Senbank and* Rand Bank. Some members held relatively good security and pressed for immediate liquidation, while others, with dubious security, tried to keep the company afloat.

Attempts were made to secure *State aid, but with the Govern*ment under pressure for its existing involvement in the economy, the Minister of Finance, Mr. Owen Horwood, had a tailor-made reason for declining.

There are over 50 banks in *South Africa, but the sector is* dominated by Barclays National, Standard, Volkskas, Nedbank, and Trust Bank. With Rand Bank in curatorship, Trust Bank's property loans had become a matter of open specu*lation yet, late in February, it* was included as one of the "big five," which, with reserve bank prodding, established a fidelity fund amounting to R55m. aimed to recycle deposits from the big banks to the small banks, *a move broadly similar to the* Bank of England's highly successful "lifeboat."

Underwritten

Only two days after the lifeboat came the tugboat. Trust Bank was taken firmly in tow by Bankorp, a little-known group even in South Africa, which has *emerged as the main holding* company for the banking interests of Sanlam, the R1.2bn. insurance group which is now standing behind the Bankorp-Trust Bank Group. That Trust Bank's problems were deep*seated was clear from the initial* announcement that although Trust Bank, with R1.7bn. of gross assets, is nearly twice the size of Bankorp, the latter is clearly the dominant partner, with Trust Bank only appointing one director to the combined Board.

The message was even more pointed when Bankorp sub*sequently announced that* although the ratios between the two share prices suggested terms of one Bankorp for two Trust Bank, the offer which eventually emerged was one-for-three.

With Trust Bank effectively underwritten by Sanlam, Nedbank became hte next focus for speculation, with a run of the shares developing last week and the price falling 25c to 155c, wiping over R20m. off the market *capitalisation in two days before* wharat looked like some concerted buying developed.

Behind Nedbank stands the Old Mutual, the biggest investment institution in the Republic, which holds 26 per cent. of the shares. Nedbank has some exposure to property, but its problems centred on its R73m. commitment to a new phosphoric acid plant established by the Triomf group. Nedbank has advanced R15m. to Triomf and has also guaranteed two loans from Anthony Gibbs and Wardley, amounting to R26m., and a *further R13m. from National* Westminster.

Now that Nedbank's Triomf commitment has been *openly* canvassed, there are grounds for hoping that, bar another major corporate insolvency, the worst of the banking crisis is over.

A tight budget is looming on March 30, and there is little sign of relief from present tight fiscal policies, but the Republic's external trade position is improving, thanks to the higher *gold* price and continued strong metals exports. Foreign portfolio investment is beginning to flow back to mining investments and De Beers and there are thus some signs of a gradual improvement in liquidity.

Swift succession

With those before crying forward and those behind crying back, the consortium was forced to accept at the end of January that Glen Anil could *not* be saved.

In swift sucession Rand Bank, which had R10m. committed to the company, had to apply for "curatorship" — judicial management—and freeze all its *deposits, while Glen Anil itself* was placed into voluntary provisional liquidation.

Rand Bank, as a small bank lacking funds from the Republic, relied for deposits on the more volatile corporate sector and had been experiencing a severe run on its deposits since December which made it impossible to *meet liabilities falling due in* early February. It remains in curatorship, but the Reserve Bank, which has been influentially involved in the sector behind the scenes, has committed itself to meeting Rand *Bank's foreign liabilities as they* fall due.

Australian National boosts earnings

BY JAMES FORTH — SYDNEY, March 17.

AUSTRALIAN National Industries, engineering and steel, boosted earnings 27 per cent. in the January half year and may pay a higher dividend for the full year.

The increase outstripped turnover which rose 15 per cent. and *the directors* said was achieved despite the difficult economic conditions.

A number of the company's divisions are operating at buoyant levels of activity and contributing "very satisfactorily" *to the present profit growth.* ANI's wholly-owned operations showed growth and returns from its investments—principally a 20.7 per cent. stake in rolling stock maker Comeng Holdings and a 32.8 per cent. equity in iron founder, Bradken Consolidated, were satisfactory.

Profits for the six months rose from $A3.0m. to $A3.9m. Interim dividend is increased from 3.9 cents a share to 4.2 cents. Last year, a final of 5.1 cents was paid, lifting the total payout from 8.1 cents to 9 cents.

The directors said they expected record profits for the full year which would be the tenth successive profit increase—and that this would "permit a review of the final dividend rate."

The directors said they were currently investigating the possibility of further expansion and diversification of ANI's activities, both in Australia and overseas.

BANK OF AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, March 16. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources. *Exchange rates listed* are *middle* rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a *basis* for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

Bank of America
Eurodollar Libor as of March 17 at 11.00 a.m.
3 months 5 1/16 — 6 months 5 7/16

SDR1=$US1.15612

Country	Currency	Value of DLR
Afars & Issas...	Djibouti Franc	162.81
Afghanistan	Afghani (o)	45.30
Albania	Lek (m)	5.8731
Algeria	Dinar (a)	4.1302
Andorra	Fr. Franc	4.9878
	Sp. Peseta	68.73
Angola	Kwanza	n.a.
Antigua	E. Caribbean $	2.70
Argentina	Ar. Peso	324.30
Australia	Australian $	0.9103
Austria	Schilling	17.00
Azores	Port. Escudo	38.75
Bahamas	Ba. $	1.00
Bahrain	Dinar	0.3958
Balearic Is.	Sp. Peseta	68.73
Bangladesh	Taka	15.3807
Barbados	Barbados $	2.0025
Belgium	B. Franc (m)	36.705
Belize	B. $	2.00
Benin	C.F.A. Franc	249.39
Bermuda	Bda. $	1.00
Bhutan	Indian Rupee	8.8144
Bolivia	Bolivian Peso	20.30
Botswana	*Pula*	*0.8695*
Brazil	Cruzeiro	13.015
Br. Virgin Is.	U.S. $	1.00
Brunei	Brunei $	2.4820
Bulgaria	Lev	0.96
Burma	*Kyat*	*6.6872*
Burundi	Burundi Franc	90.00
Cameroun Rp.	C.F.A. Franc	249.39
Canada	Canadian $	1.0564
Canary Is.	*Sp. Peseta*	68.73
Cape Verde Is.	Cape V. Escudo	38.75
Cayman Is.	Cay. Is. $	0.8350
Cen. Af. Rp.	C.F.A. Franc	249.39
Chad	C.F.A. Franc	249.39
Chile	Ch. Peso (m)	17.77
China	Renminbi Yuan	1.9021
Colombia	Col. Peso (m)	36.5028
Comoros I'ds...	C.F.A. Franc	249.39
Congo (B'lle)...	C.F.A. Franc	249.39
Costa Rica	Colon	8.57
Cuba	Cuban Peso	0.8259
Cyprus	Cyprus £	0.4143
Czechoslovakia	Koruna (m)	5.70
Denmark	Danish Krone	5.8690
Dominica	E. Caribbean $	2.70
Domin. Rep.	Domin'cn Peso	1.00
Ecuador	*Sucre (o)*	*25.00*
Egypt	Egyptian £ (o)	0.3940
El Salvador	Colon	2.50
Ethiopia	Birr	2.0855
Eq'l Guinea	Peseta	68.73
Falkland Is.	Falkland Is. £*	1.7197
Faro Is.	Danish Krone	5.8690
Fiji Is.	*Fiji $*	0.9415
Finland	*Markka*	3.8075
France	French Franc	4.9878
Fr. C'Tyin Af.	C.F.A. Franc	249.39
Fr. Guiana	Local Franc	4.9878
Fr. Pac. Is.	C.F.P. Franc	90.7319
Gabon	C.F.A. Franc	249.39
Gambia	Delasi	2.3259
Grmny. (E) (o)	Ostmrk. (m)	2.3952
Germany (W)...	Deutschemark	2.3952
Ghana	Cedi	1.1500
Gibraltar	Gibraltar £*	1.7197
Gilbert Is.	Aust. $	0.9103
Greece	Drachma	37.18
Greenland	Danish Krone	5.8690
Grenada	E Caribbean $	2.70
Guadaloupe	Local Franc	4.9878

Country	Currency	Value of DLR
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Rep.	Sily	22.23
Guinea Bissau	Peso	38.75
Guyana	Guyanese $	2.5497
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	H.K. $	4.6170
Hungary	Forint (m)	20.76
Iceland	I. Krona	191.45
India	Ind. Rupee	8.8144
Indonesia	Rupiah	415.00
Iran	Rial	71.16
Iraq	Iraq Dinar	0.2961
Irish Rep.	Irish £*	1.7197
Israel	Israeli £	9.1279
Italy	Lira	887.05
Ivory Coast	C.F.A. Franc	249.39
Jamaica	Jamaica $	0.9091
Japan	Yen	281.90
Jordan	Jdn. Dinar	0.333
Kampuchea	Riel	n.a.
Kenya	Ken. Shilling	8.3728
Korea (Nth.)	Won (a)	0.94
Korea (Sth.)	Won	484.00
Kuwait	*Kuwait Dinar*	*0.2867*
Laos	Kip Pot Pol (o)	200.00
Lebanon	Lebanese £	3.0300
Lesotho	S. African Rand	0.8695
Liberia	*Liberian $*	1.00
Libya	Libyan Dinar	0.2961
Liechtenst'n	Swiss Franc	2.5601
Luxembourg	Lux. Franc (m)	36.705
Macao	Pataca	4.9480
Madeira	Port. Escudo	38.75
Malagasy	MG Franc	249.39
Malawi	Kwacha	0.9091
Malaysia	Mal. Ringitt	2.4925
Maldive Is.	Mal. Rupee	7.2800
Mali Rp.	Mali Franc	499.73
Malta	Maltese £	0.4280
Martinique	Local Franc	4.9878
Mauritania	Ouguiya	49.578
Mauritius	M. Rupee	6.6796
Mexico	Mexican Peso	22.70
Miquelon	C.F.A. Franc	249.39
Monaco	French Franc	4.9875
Mongolia	*Tugrik (m)*	3.3333
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	4.5495
Mozambique	Moz. Escudo	38.75
Nauru Is.	Aust. $	0.9103
Nepal	Nepalese Rupee	12.323
Netherlands	Guilder	2.4995
Neth. Ant'les	Antillian Guild	1.80
New Hebrides...	*Aust. $*	*0.9103*
	Fr. Franc	4.9878
N. Zealand	NZ $	1.0438
Nicaragua	Cordoba	7.026825
Niger Rp.	C.F.A. Franc	249.39
Nigeria	Naira	0.6371
Norway	Nrwg. Krone	5.3800
Oman, Sultanate of	Rial Omani	0.3456
Pakistan	Pkst. Rupee	9.8043
Panama	Balboa	1.00
Papua N.G.	Kina	0.8105
Paraguay	Guarani (m)	126.00
P'ple D. Rp. of Yemen	S. Yemen Dinar	0.3454

Country	Currency	Value of DLR
Peru	Sol	73.28
Philippines	Ph. Peso	7.4451
Pitcairn Is.	NZ $	1.0438
Poland	Zloty (m) (o)	19.92
Portugal	Port. Escudo	38.75
Port. Timor	Timor Escudo	38.75
Principe Isle	Port. Escudo	38.75
Puerto Rico	U.S. $	1.00
Qatar	Qatar Ryal	3.9512
Reunion Ile de la	French Franc	4.9878
Rhodesia	Rhd. $	0.617
Romania	Leu	4.97
Rwanda	Rwanda Franc	92.84
St. Christopher	E. Caribbean $	2.70
St. Helena	£ sterling*	1.7197
St. Lucia	E. Caribbean $	2.70
St. Pierre	C.F.A. Franc	249.39
St. Vincent	E. Caribbean $	2.70
Samoa (Am.)...	U.S. $	1.00
San Marino	Italian Lira	887.05
Sao Tome	*Port. Escudo*	38.75
Saudi Arabia	Ryal	3.5350
Senegal	C.F.A. Franc	249.39
Seychelles	S. Rupee	7.7513
Sierra Leone	Leone	1.1629
Singapore	*Singapore $*	2.4625
Solomon Is.	Australian $	0.9103
Somali Rep.	Som. Shilling	6.2950
Sth. Africa	Rand	0.8695
S.W. Africa Territories	S.A. Rand	0.8695
Spain	Peseta	68.73
Span. Ports in N. Africa	Sp. Peseta	68.73
Sri Lanka	S.L. Rupee	7.2800
Sudan Rp.	Sudan £	0.3482
Surinam	S. Guilder	1.80
Swaziland	Emalangeni	0.8695
Sweden	S. Krona	4.2230
Switzerland	Swiss Franc	2.5601
Syria	Syria £	3.6750
Taiwan	New Taiwan $	37.97
Tanzania	Tan. Shilling	8.3728
Thailand	Baht	20.40
Togo Rep.	C.F.A. Franc	249.39
Tonga Is.	Pa'anga	0.8036
Trinidad	Trin. & Tob. $	2.40
Tunisia	Tunisian Dinar	0.4378
Turkey	Turkish Lira	17.50
Turks & C's	U.S. $	1.00
Tuvalu	Australian $	0.9103
Uganda	Ug. Shilling	8.3728
Un'd A'b Emir	UAE Dirham	3.8997
Utd. Kingdom	£ Sterling*	1.7197
Upper Volta	C.F.A. Franc	249.39
Uruguay	Urug. Peso (m)	4.33
USSR	Rouble	0.7461
Vatican	Italian Lira	887.05
Venezuela	Bolivar (m)	4.29
Vietnam (N)...	Dong (m) (o)	2.6650
Vietnam (S)	Piastre (o)	1.55
Virgin Is. U.S.	U.S. $	1.00
Western Samoa	Samoan Tala	0.8905
Yemen	Ryal	4.55
Yugoslavia	New Y. Dinar	18.28
Zaire Rp.	Zaire	0.8649
Zambia	Kwacha	0.7973

n.a. Not available. (m) Multiple exchange rate system, commercial rate used. * U.S. dollars per sterling unit.
(a) Approximate rate. (o) Official rate.

For further information please contact your local branch of the Bank of America.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

NJA proposes merger after heavy losses

BY WILLIAM DULLFORCE

STOCKHOLM, March 17.

REPORTING a staggering 1976 loss of Kr.784m. (...) by Norbottens Järnverk state-owned steel works, Mr. Wahlstrom, the new managing director, yesterday proposed to start merger talks with the two private Swedish companies, Gränges and Kopparberg.

He also outlined a recovery programme for NJA which would include the purchase of a stock-holding company, the building of two new terminals at Luleå and Gävle to improve the distribution system and a marketing offensive aimed particularly at the other Nordic countries and West Germany.

"We are not suffering from megalomania. This programme is simply a prerequisite for NJA to reach profitability," Mr. Wahlstrom explained. It would imply a fundamental restructuring of the whole Swedish commercial steel industry, as distinct from the restructuring, as that proposed already for the special steel industry by a government commission.

Mr. Wahlstrom's proposals anticipate the report due to be made in May by the government commission examining the commercial steel industry. He is understood to have tried out his ideas on Mr. Lars Nabseth, the Chairman of the Commission, before announcing them.

NJA is forming a committee to negotiate with Gränges and Stora Kopparberg. Both Gränges Oxelösund works and Stora Kopparberg's Domnarvet works recorded losses last year, although not as heavy as NJA's. Mr. Wahlstrom said that no policy had yet been formulated on the ownership structure of a consolidated Swedish steel company but a lot of money would be needed to effect the restructuring.

He thought, therefore, that a profitable future Swedish steel industry would have to be based essentially on state ownership "but we are not arranging any champagne celebrations in Oxelösund or Domnarvet."

Some production units would have to be closed and there would have to be a heavy reduction in the numbers employed in the mines, steel works and plants fabricating finished goods, Mr. Wahlstrom forecast.

His programme would sound the final death knell for his predecessor's ambitious plan to expand NJA to a 4m.-tonne capacity, producing semi-fabrications for export. This plan had the backing of the former Social-Democrat Government.

Mr. Wahlstrom attached special importance to the acquisition of a stock-holding company by NJA as a step towards improving the steel company's marketing organisation. It would also help to stem the growing tide of steel imports and enable NJA to raise its prices.

The Swedish Parliament yesterday approved grants and loans amounting to Kr.1.8bn. (£248m.) to put NJA on its feet. The company's Kr.784m. loss last year included cost-calculated depreciation but also Kr.71m. in state stock subsidies. It added to losses of Kr.206m. in the previous year and Kr.39m. in 1974.

The preliminary figures showed an operating deficit before depreciation of Kr.571m., while net interest costs soared from Kr.66m. in 1975 to Kr.152m.

Mr. Wahlstrom said he hoped NJA could be brought into profit by the programme, including the mergers, he was proposing, but the company could never get a high yield. One could not demand a return of 15 per cent. from a commercial steel works in Sweden but neither could the country drop commercial steel-making altogether and let the developing countries take over, he said.

HK Shanghai Hotels

REFLECTING the overall rise in hotel occupancy rates in Hong Kong from 67 per cent. in 1975 to 80 per cent. last year and a record 1.5m. visitors, Hong Kong and Shanghai Hotels announced a net profit of SHK29.08m. for 1976, Daniel Nelson writes from Hong Kong.

This was a rise of SHK4.11m. from the previous year, which was itself an 18 per cent. increase over 1974. The final dividend was 30 cents (26), making a total of 42 (37).

Possible rights issue at SG de B

BY DAVID BUCHAN

BRUSSELS, March 17.

SOCIETE GENERALE DE BELGIQUE may launch a new rights issue this year, the big holding company's chief executive, M. Paul Emile Corbiau, told shareholders at the annual general meeting.

But M. Corbiau said while such an issue was necessary if the group was to expand, it would only be done if conditions on the stock exchange and the capital markets improved. SGB launched rights issues in 1968 and 1971 and a convertible bond issue in 1975.

SGB has already announced a lower dividend for 1976 of BFrs.135 (175) while gross income from dividends from its portfolio of BFrs.1.224bn. (£19.4m.), was down 24 per cent. from the previous year.

M. Corbiau said that following the easing of dividend restraint in Belgium, he expected 1977 to be better for the group. If the group goes ahead with a rights issue, this will in fact lessen the current restrictions on the dividend that it declares itself. But the group's governor pointed out that losses in 1976 had diminished the group's working capital and therefore future earning power.

On the general outlook for Belgium, SGB foresees that the economy will continue to improve from the low level of the second half of last year.

M. Corbian welcomed the Belgian steel agreement made between employers, holding companies, unions and the Government earlier this month which calls for a standstill on redundancies and new investment until studies point the way ahead more clearly.

By the agreement, SGB, which has 8.3 per cent. of its portfolio in steel, and the other big holding companies, have undertaken not to alter their stakes in the steel companies until the end of the year.

M. Córbiau disclosed to shareholders that the long standing dispute with Zaire over compensation for the takeover of Union Miniere, the SGB subsidiary and once the biggest copper producer in Zaire, had finally been brought to a satisfactory end. Last year, Zaire paid over the last B.Frs. 582m. of the B.Frs.4bn. that had been agreed as compensation.

Though SGB has been expanding its interests abroad for many years, shareholders were assured yesterday that Belgium would continue to remain the group's main focus of interest. Last year only a tenth of the group's holdings were outside Belgium.

● Belgium's biggest bank, the Societe Generale de Banque, has announced a higher net dividend for the year ending December 31, 1976 of B.Frs.189 (175). The balance sheet total at that date was B.Frs.586.8bn. (£9.3bn.), up a respectable 15.1 per cent.

Deposits bonds and certificates totalled B.Frs.359.4bn. and bankers' deposits B.Frs.166.8bn. representing an increase of 16.2 per cent. and 15.9 per cent. respectively. Loans of all types to the private sector reached B.Frs.337bn., although demand for investment funds has stayed sluggish.

The bank which is 22 per cent. owned by the holding company, Societe Generale de Belgique, increased the amount of lending to the public sector and the government, which has continued to make fairly heavy demands on the domestic capital markets to finance deficits.

Brazil government turns down Light takeover plan

BY DAVID WHITE

RIO DE JANEIRO, March 16.

THE BRAZILIAN Government has turned down a takeover plan for the Canadian-controlled electricity company, Light Servicos de Electricidade. Sr. Shigeaki Ueki, Mines and Energy Minister, confirmed, saying that this was the Government's "definitive reply."

The Government had been asked to provide financial guarantees for the deal, proposed by a group of Brazilian business interests.

The consortium offered to buy the 83 per cent. controlling stake held by the Canadian Brascan group for a net price of $563m., payable over ten years.

However, the Minister did not rule out the possible transfer of Light into other private hands, as long as this corresponded to "the interests of the country."

Sr Ueki has on several occasions denied any intention by the government to take over the company, which is the main supplier of electricity in Brazil's industrial region of Rio de Janeiro and Sao Paulo and the country's biggest single private investment.

Light's assets are valued at around $1.3bn. Initial moves towards nationalisation of the company began shortly prior to the right-wing military coup in 1964, and some of Brascan's other interests, such as the Rio de Janeiro Telephone Company CTB (now Telerj), have passed into State hands since then.

The main reason behind the government's refusal to back the plan is believed to have been the high level of investment needed to modernise and expand electricity services in the region. This is estimated at at least $2bn. up to 1979.

Under the takeover plan, part of the proceeds from electricity sales would have gone into buying up Brascan's shares through a specially-constituted holding company.

The bidding consortium, Empresa Brasileira de Participacoes (Embrapar), comprised 21 of the largest Brazilian-owned companies, including Bradesco and other banking groups and the Varig airline.

Brascan made no public objections to the takeover plan. The group has already diversified its interests in Brazil away from the public utilities sector. The company which once ran Rio's trams now has an investment bank and a brewery.

NORWEGIAN COMPANIES

Ardal has sharp improvement

BY FAY GJESTER

OSLO, March 17.

ARDAL OG SUNNDAL VERK (ASV), Norway's largest aluminium producer, reports pre-tax profits of Kr22.7m. (£2.52m.) for 1976, compared with a 1975 deficit of Kr.40m. Group turnover rose by Kr.0.6bn. to Kr.2.1bn.

The increase was due mainly to higher sales of primary aluminium, at improved prices, but it also reflected the inclusion in the group's accounts, for the first whole operating year, of two Scandinavian subsidiaries—Johnson Metall Aluminium AB of Sweden, and the Danish Scandia Paper A/S.

Though the 1977 market outlook is somewhat uncertain, the group expects still better profits this year than last. Despite the improved results, however, the Board recommends that no dividend be paid for 1976.

It points out that the year's profit was inadequate both to provide a satisfactory return on invested capital and to finance the necessary modernisation of production facilities.

ASV is owned 75 per cent. by the Norwegian State and 25 per cent. by Alcan.

* * *

TWO LEADING Norwegian shipping groups report satisfactory profits in 1976, despite the world shipping recession.

The Sig. Bergesen d.y. group made a profit, after depreciation of Kr.14m. and the group's fleet increased by some 1.3m. deadweight tonnes to 27 ships totalling 5.4m. deadweight tonnes, mainly tank and bulk vessels. A dividend of 13 per cent. is proposed for the group's three companies Snefonn, Bergehus and Sigmalm.

A/S Kosmos, which has industrial and oil interests, as well as operating tankers, dry cargo vessels and passenger ships, made record pre-tax profits last year, but net profits, after tax were slightly down on the previous year—Kr.19.7m., compared with Kr.19.97m. The company foresees satisfactory results for this year, too, provided cost increases can be kept within "reasonable" limits. An unchanged dividend of Kr.20 per share is proposed.

NORSK OLJE A/S (NORAL) Norway's State-dominated oil refining and marketing company, reports a deficit of Kr.78m. in 1976, its first year of operation. Turnover reached Kr.2.5bn.

DOMESTIC BONDS

Lack of interest in new Swiss issues

BY PAULINE CLARK

THIS WEEK'S loss of face on the foreign Swiss bond market by the World Bank has come at a time when new domestic issues also seem to be suffering from lack of interest. Since the recent under-subscripition to the Sw.Fr.40m. 4.75 per cent. Hesta bond, several better known names are also this week reported to have caused problems for the underwriters.

The latest Eurofima issue with a coupon of 4¾ per cent. and issue price of 99.50 led by Schweizerische Bank-Gesellschaft is thought to have been barely covered while a new Sw.Fr.20m. bond with a 5 per cent. coupon issued at par and led by Swiss Bank Corporation for the Basle-based Pirelli subsidiary were also being said in some Swiss banking circles yesterday to be "not appearing to be doing too well." Meanwhile a Sw.Fr.35m. offering at 4¾ per cent. with an issue price of 99 per cent. for the Lucerne-based nuclear energy concern, AKEB, was said to be in a similar situation. The issue is led by Credit Suisse.

The chief problem at present seems to be that institutional investors have been adopting a wait-and-see policy resulting in a marked trend towards investment into short to medium bank paper. Uncertainty about interest rate trends has been fanned by the recent 0.5 per cent. increases in time deposit rates on the money market.

But there is also evidence that investors have been responding to what seems to have been a certain amount of abuse of the market by borrowers over the past few months. Apart from misjudgements of the timing of moves to lower new issue yields on the market, as in the case of the last month's under-subscribed Sw.Frs.500m. Confederation loan, borrowers are now being criticised for adopting early redemption policies. The fall in bond rates over the past six months has apparently encouraged old borrowers to redeem previous paper as early as possible in order to replace them with new bonds at a cheaper rate.

To curb this trend and to bring about a more equal balance of interests in the market for borrowers and investors, the Swiss Bankers' Association has now set firmer guidelines on premature bond repayments. The guidelines stipulate the banks should aim for fixed maturities and, as before, only make premature repayments when two-thirds of the loan life has elapsed. The period over which early redemption can take place without a premium is restricted to two years.

* * *

A $ SINGAPORE 40m. bearer bond issue by the Singapore Government to finance the republic's development projects was reported oversubscribed by the public yesterday.

The bonds mature in 1983 and have a coupon rate of 5 per cent. Interest earned on the bonds, however, will be tax free.

The six-year bond is the first Government bond issue this year, and also the first in bearer form by the Government for two years in the domestic market. Earlier this month the Government announced that plans to spend $Singapore2.7bn. on development projects this year.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1989	105¾	106
Australia 8¾pc 1981	101½	102
Bowater 9½pc 1986	103¾	104¼
Canadian N. Rly. 8¾pc 1986	101	101½
Credit Natl. 8¾pc 1986	99¼	99¾
Denmark 8¾pc 1984	101½	102
ECS 9¾pc 1986	103¾	104¼
EIB 8¾pc 1983	100¾	101½
Erap 9¾pc 1985	103¾	104¼
Esso 8pc 1986 Nov.	102¾	103¼
Eurofima 8¾pc 1983	102	102¾
Granges 9½pc 1985	102	102½
Gt. Lakes Paper 8¾pc '84	100¾	101¼
Hamersley 9½pc 1992	102¼	102¾
ICI 8½pc 1987	97¾	94¾
ISE Canada 9¼pc 1986	105	105½
Macmillan Bloedel 9pc '92	101½	102
Massey Ferguson 9¾pc 1991	104¼	105
Michelin 9¾pc 1988	102¾	103¼
Midland Int. Fin. 8¾pc 1986	100¾	101½
Modo 9pc 1986	100	100¾
Nat. Westminster 9pc 1986	102	102¾
Newfoundland 9pc 1989	103½	104
Norges Km. Bk. 8¾pc 1991	99¾	100
Norpipe 8¾pc 1989	99¼	99¾
Norsk Hydro 9pc 1991	103¾	104¼
Norsk Hydro 8¾pc 1992	98¾	99
Oslo 9pc 1988	101¾	102¼
Ports Autonomes 9pc 1991	100	100¾
Prov. Quebec 9pc 1984	101	101½
Quebec Hydro 8¾pc 1986	99¾	100¼
Pv Saskatchewan 8¾pc '86	102	102¾
Skandinaviska En. 9pc '91	101½	102
SKF 8pc 1987	98	98¾
Volvo 9½pc 1993	104½	103¼
Volvo 8pc 1987 March	97½	98¼
NOTES		
Australia 8¾pc 1983	102¾	102¼
Australia 8¾pc 1986	102	102¾
Dow Chemical 8pc 1986	103¾	103¾
ECS 7¾pc 1982	97½	98
EEC 8¾pc 1982	101¾	102¼
Esso Gutzeit 8¾pc 1984	97¾	98¼
Gotaverken 8pc 1982	100¾	101½
Hitachi Shipbldg. 7¾pc 1984	97½	98¼
Kockums 8pc 1983	100	100½
Michelin 8¾pc 1983	102	102¾
Montreal Urban 8¾pc 1981	101½	102¼
NCB 8¾pc 1981	100¾	101½
N. Brunswick Pv. 8¾pc '86	103¾	104¼
New Zealand 8¾pc 1986	101	101½
Nippon Fudosan 8pc 1981	100¼	101
S. Scotland Elec. 8¾pc 1981	100	100¾
Swedish State 7¾pc 1982	99¾	100
Venezuela 8pc 1984	98	98¼
FLOATING RATE NOTES		
BNP 5¾pc 1983	99¾	99¾
Bk. Tokyo 8¾pc min. 1981	100¼	101¼
IBJ 6pc min. 1982	99¾	99¾
Lloyds 7¾pc min. 1983	101½	102
LTCB Japan 6¾pc min. '81	99¾	100¼
Midland 7¾pc 1983	102¼	102¾
W. & Glyns 6¾pc min. '84	100¾	100¾
D.-MARK BONDS		
Austria 7pc 1987	101	101½
Beecham 8pc 1983	103¾	104¾
Bergen 7¾pc 1989	99¾	100¼
BFCE 7pc 1987	99	99¾
EIB 6¾pc 1984	99¾	100¼
ICI 7¾pc 1986	101	101½
New Zealand 7¾pc 1986	103¾	104¼
Norway 6¾pc 1982	101¾	102¼
Shell 6¾pc 1989	100¾	101¼
World Bank 7pc 1987	98¾	99¾
Source: White Weld Securities.		
CONVERTIBLES		
American Express 4¾pc '87	85	87
Ashland 5pc 1988	95	97
Beatrice Foods 4¾pc 1992	99	101
Beatrice Foods 4¾pc 1992	109¾	111½
Borden 5pc 1992	104¼	106¼
Broadway Hale 4¾pc 1987	78	80
Canon Camera 7¾pc 1989	203	
Carnation 4pc 1987	85	87
Chevron 5pc 1988	132	134
Dart 4¾pc 1987	83	85
Eastman Kodak 4¾pc 1988	98	100
Economic Labs. 4¾pc 1987	80	82
Fed. Dept. Stores 4¾pc '85	103¾	105¼
Firestone 5pc 1988	87½	89¾
Ford 6pc 1986	102¾	104¼
Ford 5pc 1988	92	94
General Electric 4¾pc 1987	86¾	88¾
Gillette 4¾pc 1987	79¾	81¾
Gould 5pc 1987	125¾	127¾
Gulf and Western 5pc 1988	88¾	90¾
Harris 5pc 1992	111	113
Honeywell 6pc 1986	90¾	92¾
ITT 4¾pc 1987	82¾	84¾
Komatsu 7¾pc 1990	106¾	109
J. Ray McDermott 4¾pc '87	149¾	151½
Mitsubishi Elec. 7¾pc 1991	120¾	122¾
Mitsui 7¾pc 1990	106¾	110
J. P. Morgan 4¾pc 1987	101½	103¾
Nabisco 5¾pc 1988	98	101
Owens Illinois 4¾pc 1987	124	126
J. C. Penney 4¾pc 1987	81	83
Pioneer 6¾pc 1989	268	
Raymond 8¾pc 1989	121	123
Revlon 4¾pc 1987	116	120
Reynolds Metals 5pc 1988	86	88
Sperry Rand 4¾pc 1987	91	93
Squibb 4¾pc 1987	81¾	83¾
Texaco 4¾pc 1988	80¾	82¾
Toshiba 6¾pc 1990	107¾	109
Union Carbide 4¾pc 1982	109	111
Warner Lambert 4¾pc 1987	85¾	87¾
Warner Lambert 4¾pc 1988	80	82
Xerox 5pc 1988	80¾	82¾
Source: Kidder Peabody Securities		

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Rally halted but above the worst

BY OUR WALL STREET CORRESPONDENT

NEW YORK, March 17.

THE RALLY was halted on Wall Street to-day, although the close was above the worst after the Government reported a February rise in Personal Income following a January decline.

After falling more than five points to 962.93, the Dow Jones Industrial Average partially recovered to 964.84, for a net loss of 3.16. The NYSE All Common Index shed 5 cents to $55.45, while losses led gains by a mere margin of 35 issues. Trading volume further decreased 1.44m. shares to 20.7m.

The market dropped sharply across a broad front during the first two trading hours following comments by Michael Blumenthal, the Treasury Secretary, that the economic recovery doesn't appear to be self-sustaining. The economy is recovering at too slow a pace to fully utilise plant capacity and labour resources.

However, the Commerce Department reported a 1.2 per cent. rise in Personal Income in February after a revised 0.1 per cent. rise in January. It reported separately that Retail Sales gained 3.5 per cent. in the latest week, led by a 9.9 per cent. gain in Motors.

The market also appeared to be anticipating a jump in the Consumer Price Index, due to be released Friday, and an increase in the Basic Money Supply. After the close, the Federal Reserve reported that the Money Supply jumped $1.5bn. in the latest week.

Jantzen were down $1 to $15¼ on its sharply lower 13 weeks net earnings.

Intercontinental Diversified fell $1¼ to $8—it will file an amended proxy statement in which it is abandoning for the present the sale of its Bahamian assets.

Cummins Engine gave way $1¾ to $30—it plans a $30m. public Common stock offering.

Harrah's moved ahead $¼ ot $15¼.

Vulcan Materials fell $1⅝ to $25⅜.

UAL dipped $1⅝ to $20 on a February loss.

Jantzen were off $1 at $15¼.

Sterndent shed $¾ to $17 on a fourth quarter loss.

Coals were aided by President Carter's remarks that coal must replace oil and natural gas and that the Government would rely heavily on coal reserves in West Virginia.

Pittston jumped $1¼ to $36⅜, Continental Oil were up $1 at $35⅞ and Easter Gas and Fuel rose $1⅞ to $28¼.

Wrigley were lifted $2⅛ to $78⅜.

THE AMERICAN SE Market-Value Index moved up 0.33 to 112.72 and advancing issues outnumbered declines by 305-to-280.

THURDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Asarco	602,300	21⅛	+1
Sony	275,500	10	−⅛
Vulcan Mat.	246,000	25⅜	−1⅝
Occidental Petrolm.	244,000	26⅛	−⅛
Eastman Kodak	232,200	72⅞	−1
Goodyear Tire	229,900	21⅝	+⅛
Southern Cal. Ed	214,500	23⅛	+⅜
Champion Plugs	196,700	12⅞	—
Morton-Norwich	175,700	20⅛	—
NL Industries	172,000	22⅝	−⅛

Canada mixed

Canadian Stock Markets were mixed yesterday.

The Gold Share Index rose 2.7 to 1081.0, Oil and Gas firmed 0.8 to 1123.4 and Papers put on 0.37 to 114.67. But Metals and Minerals shed 1.8 to 1180.5, Utilities eased 0.63 to 147.25 and Banks dipped 0.62 to 226.35.

Maple Leaf Mills gained $¾ to $34¼, Kelsey-Hayes $¾ to $13¼ and Nowsco $¾ to $20.

OTHER MARKETS

PARIS—Mostly higher, helped by the narrower February Foreign trade deficit, higher January Industrial Production and a steady franc.

Chemicals moved up, but Engineerings and Stores were irregular, while Electricals were lower.

Americans were irregular, while International Oils and Dutch shares eased. Germans, Golds and Coppers also were irregular.

BRUSSELS—Declines predominated in fairly lively trading.

Non-Ferrous Metals were mostly lower, but Steels tended higher with Clabecq up Frs.20 to 2,190.

Utilities were mostly down, Chemicals lost ground, Oils were easier, while Holdings finished steady. Sofina gained Frs.30 to 2,980 after announcing a higher dividend.

GERMANY—Mixed to lower in light trading, following Institutional selling and general investor hesitancy.

Thyssen shed DM0.5 to 114, despite higher 1975/76 profit, while Siemens eased DM0.7 to 250.5 although it announced higher five-month sales and orders.

Most other leading shares fell about DM1 on average.

But Linde were DM2 higher at 200 and Degussa rose DM1.8 to 334.

AMSTERDAM — Generally higher, although all Internationals lost ground.

Banks, Insurances and Transportations mostly rose.

KLM, however, dropped Fls.7.20 to 94.

In Dutch Industrials Ahold Supermarkets moved up Fls.2.50 to 80.5, Schuitema Supermarkets advanced Fls3.5 to 168.50, KNP Paper-Mills rose Fls.1.20 to 32, Internatio-Mueller jumped Fls.3.1 to 44.50 and Elsevier Publishing Group gained Fls.4 to 230.

But Van Gelder Zonen Paper-Mills shed Fls.1.5 to 34.5 on the announcement of a Fls.38m. 1976 loss.

Bonds gained an average of Fls.0.20 to Fls.0.40.

SWITZERLAND—Markets were very steady in a moderate turnover.

Among Banks small gains and losses were about equal. Financials and Insurances generally pointed higher, while leading Industrials were irregular. Foods firmed.

Dollar stocks were narrowly mixed, Dutch Internationals fluctuated slightly, while Germans were generally barely steady.

MILAN — Mixed in moderately active dealings.

Bonds were again neglected.

OSLO — Bankings, Insurances and industrials were quiet, while Shippings were slightly easier.

VIENNA—Generally easier.

COPENHAGEN — Banks were generally lower, but Industrials were mainly higher, Shippings firmer, while Insurances were mixed to slightly lower.

SPAIN—Marked improvement in tone, with index up 0.73 to 96.54, and led by several major Banks and most Utilities. Seat, however, lost 4 to 95.

TOKYO—Lower as late liquidations in Blue Chips more than offset ground gained earlier. Volume 160m. (180m.) shares.

Electricals and Electronics fell, led by Hitachi, which lost Y7 to 201. Sony shed Y40 to 2,860, TDK Electronics Y20 to 1,770, and Mitsumi Y18 to 661.

Pharmaceuticals, Foods, Petroleums, Rubbers and Motors also eased.

But Constructions and Dredgings were in demand, and "low-priced" issues and "speculatives" also advanced slightly.

HONG KONG—Slightly easier in dull trading.

Hong Kong Bank lost 10 cents to $HK19.60, Jardine Matheson 20 cents to 16.60 and Hutchison 2½ cents to 3.125.

HK Hotels gave way 40 cents to 12.60, despite higher 1976 profit and dividend.

JOHANNESBURG—Gold shares moved off the top towards the close as European bullion prices drifted back from earlier highs.

Financial Minings also moved back in places.

Fed Mynb gained 15 cents to R395 ahead of its results.

Platinums and Coppers were mixed.

Asbestos issues moved up, but Industrials drifted lower in quiet trading.

AUSTRALIA—Markets were slightly firmer with selective buying in key Mines and Industrials.

Utah gained 10 cents to $A4.25 and Renison 18 cents to $.90.

But Woodside-Burmah shed another 4 cents to 1.03 on its planned capital increase.

Among Industrials, Woolworths put on 3 cents to 1.25.

Amatil firmed 2 cents to 1.48—it expects a further profit improvement this year.

Pound steady

Sterling remained very close to the $1.72 level in terms of the U.S. dollar throughout trading in the foreign exchange market yesterday. It was steady at $1.7190 almost all day with reports of intervention from the authorities to prevent any sharp rise. The pound closed at $1.7185-$1.7195 a fall of 5 points on the day. Its trade-weighted index against 20 major currencies on the basis of the Washington Currency Agreement of December 1971, as calculated by the Bank of England, was unchanged at 62, until the close, when it fell to 61.9.

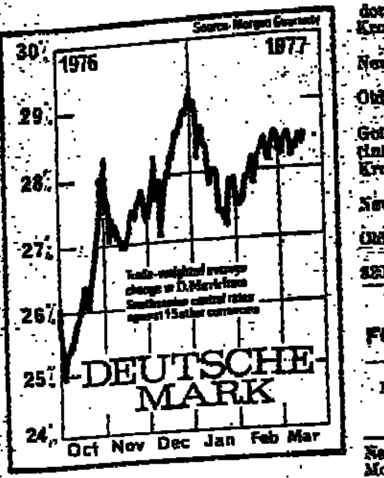
Discounts on forward sterling narrowed further. The three-month pound finished at 2.62 cents discount in terms of the dollar, compared with 2.72 cents on Wednesday.

The U.S. dollar was slightly weaker on balance against major currencies in general. Its trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, widened to 0.50 per cent. from 0.44 per cent.

Support may have been required for the Italian lira, but there was no sign of any renewed pressure, with the currency closing unchanged against the dollar at L885.65. It is also possible that there was some central bank intervention to help the Canadian dollar, which closed at 95.14¼ U.S. cents, compared with 95.08¼ previously. It touched a worst level of 94.88.

Foreign exchange markets were generally very quiet however and there was little movement in any of the major units.

Gold rose $1 to $148½-$149½ after fairly good demand for the metal. The krugerrand's premium over its gold content was 2.94 per cent. for domestic and international delivery.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Mar. 17	Mar. 16
Sterling	0.674967	0.672597
U.S. dollar	1.15683	1.15612
Belgian franc	42.4094	42.4412
Deutschemark	2.76737	2.76983
French franc	5.76969	5.76557
Italian lira	1025.99	1025.42
Japanese yen	326.110	325.910
Dutch guilder	2.88418	2.88972
Swedish krone	4.87720	4.88172
Swiss franc	2.96732	2.96082

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Mar. 17	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Fr'nkfurt	—	2.3910-15	47.95-99	[illegible]	4.108-112	95.76-84	95.58-66
N. York	41.82-84	—	[illegible]	2.7236-60	1.7186-195	40.13-16	39.20-13
Paris	[illegible]	[illegible]	—	13.590-615	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	36.66-69	7.44-6	—	[illegible]	14.67-70	14.53-58
London	4.10⅝-11⅝	1.7185-95	[illegible]	[illegible]	—	4.29-30	4.38⅛-39⅛
Am'rd'm	104.265-415	[illegible]	50.06-11	6.8055-8105	[illegible]	—	97.62-67
Zurich	104.76-85	[illegible]	[illegible]	[illegible]	[illegible]	102.16-37	—

U.S. $ in Montreal. U.S. $=105.20-23 Canadian cents.
Canadian $ in New York. C$=95.16-19 U.S. cents. U.S. $ in Milan 886.60-887.00
Sterling in Milan 1524.25-1524.75.

EURO-CURRENCY INTEREST RATES*

Mar. 17	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
Short term†	10⅛-11	4⅛-4⅜	6⅞-7⅝	5⅞-6⅛	4⅛-4⅜	2⅝-3
7 days' notice	10⅝-11⅛	4⅝-4⅞	7¼-7¾	5⅞-6⅛	4⅛-4⅜	2⅝-3
Month	10⅞-11⅝	4¾-5	7⅜-7⅞	5⅞-6⅛	4½-4⅝	1¼-3⅜
Three months	11-11½	5-5¼	7⅜-7⅝	5⅜-5⅞	4½-4⅝	3⅛-3⅝
Six months	11½-12	5⅛-5⅜	7⅜-7⅝	5⅝-5⅞	4⅜-4⅝	3¼-3⅝
One year	11⅞-12⅛	5⅞-6⅛	7⅝-8	6-6¼	4¾-4⅞	3¼-3⅝

Euro-French deposit rates: two-day 9⅞-10 per cent.; seven-day 9⅞-10 per cent.; one-month 10¼-10½ per cent.; three-month 10⅞-11 per cent.; three years 11⅛-11⅞ per cent.; one year 11½-11⅞ per cent.

Longer-term Eurodollar deposits: two years 6⅞-7⅛ per cent.; three years 7¼-7⅝ per cent.; four years 7⅜-7⅞ per cent.; five years 8-8½ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 4 13/16-4 15/16 per cent.; three-month 4 15/16-5 1/16 per cent.; six-month 5¼-5⅜ per cent.; one year 5 13/16-5 15/16 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

GOLD MARKETS

	Mar. 17
Gold Bullion (a fine ounce)	
Close	[illegible]
Opening	[illegible]
Morning fixing	$148.40 (£86.319)
Afternoon fixing	$148.90 (£86.606)
Gold Coins domestically	
Krugerrand	[illegible]
New Sov'reigns	[illegible]
Old Sov'reigns	[illegible]
Gold Coins internat'lly	
Krugerrand	[illegible]
New Sov'reigns	[illegible]
Old Sov'reigns	[illegible]
$20 Eagles	[illegible]

FOREIGN EXCHANGES

Mar. 17	Bank Rate %	
New York	5¼	[illegible]
Montreal	8	[illegible]
Amsterdam	5	[illegible]
Brussels	7	[illegible]
Copenh'gen	[illegible]	[illegible]
Frankfurt	3½	[illegible]
Lisbon	6½	[illegible]
Madrid	7	[illegible]
Milan	15	[illegible]
Oslo	6	[illegible]
Paris	10½	[illegible]
Stockholm	8	[illegible]
Tokyo	6½	[illegible]
Vienna	4	[illegible]
Zurich	[illegible]	[illegible]

‡ Rates given ... Francs; Financial F...

OTHER

Argentina	[illegible]
Australia	[illegible]
Brazil	[illegible]
Finland	[illegible]
Greece	[illegible]
Hng-Kong	[illegible]
Iran	[illegible]
Kuwait	[illegible]
Luxembg.	[illegible]
Malaysia	[illegible]
N.Zealand	[illegible]
SaudiArbia	[illegible]
Singapore	[illegible]
S. Africa	[illegible]
U.S.— Canada. C$1— U.S. cents	[illegible]

Rate for Argent...

FORWARD RATES

	One month
New York	[illegible]
Montreal	[illegible]
Amst'dam	[illegible]
Brussels	[illegible]
Cop'nhgn	[illegible]
Frankfurt	[illegible]
Lisbon	[illegible]
Madrid	[illegible]
Milan	[illegible]
Oslo	[illegible]
Paris	[illegible]
Stockh'lm	[illegible]
Vienna	[illegible]
Zurich	[illegible]

Six-month forward ... and 12-month ...

Indices

NEW YORK—DOW JONES

	Mar. 17	Mar. 16	Mar. 15	Mar. 14	Mar. 11	Mar. 10	1976/77 High	1976/77 Low	Since compilation High	Since compilation Low
Industrial	964.84	968.00	965.01	958.36	947.72	946.78	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home Bonds*	91.10	91.06	90.94	90.90	90.81	90.92	95.37 (6/1/77)	85.88 (13/7)	—	—
Transport	229.69	228.56	227.56	225.56	224.49	225.56	237.52 (3/1/77)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	107.56	106.82	106.44	106.56	105.69	106.86	111.87 (25/1/77)	84.8 (26/5)	163.32 (20/4/65)	10.58 (28/4/42)
Trading vol 000's	20,700	22,140	25,940	19,290	18,250	18,620	—	—	—	—

* Basis of index changed from July 1.

	Mar. 11	Mar. 7	Feb. 25	Year ago (approx.)
Ind. div. yield %	4.47	4.43	4.50	3.74

STANDARDS AND POORS

	Mar. 17	Mar. 16	Mar. 15	Mar. 14	Mar. 11	Mar. 10	1976/77 High	1976/77 Low	Since compilation High	Since compilation Low
*Industrials	115.66	115.60	115.60	112.96	111.96	112.09	120.89 (21/9)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
†Composite	102.08	102.17	101.86	101.42	100.65	100.67	107.83 (21/9)	90.90 (2/1)	125.85 (11/1/73)	4.40 (1/6/32)

	Mar. 17	Mar. 9	Mar. 2	Year ago (approx.)
Ind. div. yield %	4.09	4.17	4.15	3.68
Ind. P/E Ratio	10.69	10.45	10.83	13.66
Long Govt. Bond yield	7.72	7.76	7.76	6.78

N.Y.S.E. ALL COMMON

Mar. 17	Mar. 16	Mar. 15	Mar. 14	1976/77 High	1976/77 Low
55.46	55.50	55.37	55.10	57.88 (31/12)	57.06 (2/1/76)

Rises and Falls	Mar. 16
Issues Traded	1,872
Up	664
Down	699
Same	509
New Highs	70
New Lows	38

	Mar. 17	Mar. 16	Mar. 15	Mar. 14	1976/77 High	1976/77 Low
MONTREAL Industrial	185.47	185.25	184.45	182.36	207.53 (19/6)	181.34 (30/11)
MONTREAL Combined	182.69	182.75	182.11	180.55	199.78 (20/5)	162.16 (30/11)
TORONTO Composite	1031.8	1032.5	1,028.4	1021.8	1105.2 (13/6/76)	920.1 (30/11/76)
JOHANNESBURG Gold	184.0	182.7	179.0	181.5	226.7 (12/5)	[illegible]
JOHANNESBURG Industrials	172.5	172.9	175.7	176.2	215.0 (31/5)	172.5 (17/3/77)

	Mar. 17	Previous	1976-77 High	1976-77 Low
Australia (a)	432.35	431.87	522.65 (18/8)	404.39 (26/11)
Belgium (b)	95.15	96.42	115.16 (5/2)	87.15 (25/10)
Denmark (d)	104.81	104.73	117.70 (19/8)	96.43 (1/12)
France (e)	53.8	53.7	74.3 (5/5)	51.5 (1/12)
Germany (f)	722.4	725.4	821.7 (17/5)	687.7 (29/10)
Holland (g)	84.7	85.0	105.5 (5/2)	77.9 (13/10)
Hongkong (h)	418.31	419.97	465.33 (17/5)	364.55 (2/12)
Italy (k)	66.50	66.52	91.37 (23/2)	64.95 (10/11)
Japan (m)	376.18	377.54	384.14 (4/1/77)	326.28 (5/11)
Singapore (n)	251.03	252.16	286.16 (5/2)	238.35 (2/1)
Spain (p)	96.54	95.81	102.57 (15/7)	91.44 (30/12)
Sweden (q)	411.77	416.76	476.9 (10/5)	[illegible] (1/2/77)
Switz'ld (r)	286.7	288.2	[illegible] (12/5)	[illegible] (15/11)

Indices and base dates (all base values 100 except NYSE All Common—50, Standards and Poors—10 and Toronto 300-1,000, the last-named based on 1975.) (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73 (e) Paris Bourse 1961. (f) Commerzbank December, 1953 (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/76. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds. 40 Utilities 40 Finance and 20 Transport. (c) Closed.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated.
♥ Ptas.500 denom. unless otherwise stated.
♣ Kr.100 denom. unless otherwise stated.
✢ Frs.500 denom. unless otherwise stated.
‖ Yen 50 denom. unless otherwise stated.
$ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ▲ Interim since increased.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—110¼% (109¾%).

NEW YORK

Stock	Mar. 17	Mar. 16
Abbott Labs	45¼	45
Addressograph	12⅜	12½
Aetna Life & Gas	31⅛	31⅛
Air Products	30⅞	31
Airco	30¼	31
Alcan Aluminium	27⅜	27½
Alcoa	56⅞	58½
Allegheny Lud.	25	24⅞
Allegheny Power	21½	21
Allied Chemical	45⅞	45⅞
Allied Stores	45⅛	45⅝
Allis Chalmers	29¾	28½
Amax	49½	48½
Amerada Hess	32	32
Amer. Airlines	10¾	11¼
Amer. Brands	45⅝	45⅞
Amer. Broadcast	41⅝	42⅛
Amer. Can	39⅞	40
Amer. Cyanamid	27	27⅝
Amer. Elec. Pow.	23⅞	23¾
Amer. Express	37½	37½
Amer. Home Prod	31¼	31⅜
Amer. Medical	12¾	13
Amer. Motors	4	4
Amer. Nat. Gas	40¾	41⅜
Amer. Standard	27⅞	27⅞
American Stores	32⅛	33
Amer. Tel. & Tel.	63¾	63⅛
A.M.F.	21	21⅜
Ampex	8⅝	8¾
Anchor Hocking	29¼	29¼
Anheuser Busch	21⅛	20¾
Armco Steel	28⅞	29
A.S.A.	22	22
Asamera Oil	11⅛	11
Asarco	21⅝	20½
Ashland Oil	34⅜	34⅝
Atl. Richfield	53¼	53⅞
AVC	11⅛	11½
Avco	14⅝	14⅝
Avis	13¾	13¾
Avon Products	48	48
Balt Gas Elect	25⅝	25⅝
Bank America	27	27⅛
Bankers Tr. N.Y.	39	37⅝
Barber Oil	36	36
Baxter Travenol	34⅜	34⅞
Beatrice Foods	25⅝	25¼
BectonDickenson	32	31⅝
Bell & Howell	20½	20½
Bendix	43⅝	43⅜
Benguet Cons 'B'	2⅝	2¾
Bethlehem Steel	37⅞	38⅜
Black & Decker	16⅞	16¾
Boeing	44¼	44⅛
Boise Cascade	33	33⅛
Borden	33¾	31⅝
Borg Warner	31⅛	30¾
Braniff Int.	9⅝	9⅝
Brascan 'A'	11⅜	11⅜
Bristol Myers	66¾	66¾
Brit. Pet. ADR	15¼	15⅜
Brockway Glass	33¼	33¼
Brunswick	16⅝	16
Bucyrus Erie	26⅝	26⅝
Budd	18⅞	19⅛
Bulova Watch	7½	7⅜
Burlington Nthn.	47⅜	47⅜
Burroughs	69¾	69⅝
Campbell Soup	36¾	37⅛
Canadian Pacific	16⅞	17
Canal Randolph	8⅝	8⅝
Carnation	72	72¼
Carrier & General	13⅛	13¼
Carter Hawley	19⅝	19¾
CaterpillarTractr	54⅛	54½
CBS	58½	58⅞
Celanese Corpn.	49⅛	49¼
Central & S.W.	16⅝	16¼
Certain Teed	25¼	25⅛
Cessna Aircraft	27⅝	27½
Chase Manhattan	30¾	31⅛
Chemical Bk. NY	41⅞	41⅝
Cheesebrgh Pond	22⅞	23⅜
Chessie System	40	39¾
Chicago Bridge	47½	54
Chromalloy	16⅞	17
Chrysler	20	20⅛
Cinerama	2	2
Cinc. Milacron	37½	37¼
Citicorp	29¾	30
Cities Service	60¾	61⅛
City Investing	13¾	13⅞
Coca Cola	78⅜	78¼
Colgate Palm	24⅞	24⅞
Collins Aikman	11⅞	11⅝
Columbia Gas	28½	28⅛
Columbia Pict	10⅝	10⅝
Com.InsCo.ofAm	15¾	15⅞
Combustion Eng.	52	51
Combustion Eq.	27	26⅞
C'm'wth Edison	30	30¼
Com'wth Oil Ref	5⅛	5⅛
Comm. Satellite	35¼	35¼
Con. Edison N.Y.	22½	22⅞
Consol Foods	24⅛	24⅞
Consol Nat. Gas	39½	38⅝
Consumer Power	21¾	21⅝
Continental Grp.	36¼	36¼
Continental Oil	35⅞	34⅞
Continental Tele	16⅛	16
Control Data	25	22¾
Cooper Indus.	42¼	42⅝
Copper Range	31	21⅝

Stock	Mar. 17	Mar. 16
Corning Glass	62¼	62¼
CPC Int'nation'l	48¼	47¾
Crane	33¼	32⅛
Crocker Nat.	27	27¼
Crown Zellerbach	40½	40⅝
Cummins Engine	30	31¾
Curtis-Wright	16¼	16¼
Dana	27⅝	28¼
Dart Industries	33¼	33⅛
Deere	29⅞	30
Del Monte	28⅛	28¼
Deltona	4¼	4⅜
Dentsply Inter.	27½	27½
Detroit Edison	15½	15⅝
Diamond Shamrk	36⅝	36⅞
Dictaphone	12½	12½
Digital Equip.	46⅛	45¼
Disney (Walt)	39½	38⅞
Dover Corpn.	39¾	39
Dow Chemical	39	39¼
Dresser	40	40¼
Du Pont	134	133¼
Dymo Industries	11¾	11½
Eagle Picher	40½	40⅝
East Air Lines	7¾	7⅞
Eastman Kodak	72⅞	73⅞
Eaton	44	44¼
E. G. & G.	19¾	19¾
El Paso Nat. Gas	15	15⅛
Eltra	30⅝	30½
Emery Air Fr'ght	35	35⅛
Emhart	38½	38¼
E.M.I.	3¾	3⅞
Engelhard	35½	35
Esmark	31¼	31¾
Ethyl	45⅝	45½
Exxon	51⅝	52⅛
Fairchild Camera	35¼	35⅛
Fed. Dept. Stores	43⅞	42⅞
Firestone Tire	22⅛	22¼
Fst. Nat. Boston	27¼	27¾
Flexi Van	12¼	12⅜
Flintkote	20	20⅛
Florida Power	30½	30⅜
Fluor	35⅜	35⅞
F.M.C.	25⅝	25¾
Ford Motor	59½	59¼
Foremost Mck.	16⅜	16⅜
Foxboro	49¼	48½
Franklin Mint	24½	24¾
Freeport Mineral	28⅞	28¼
Fruehauf	31½	31½
Fuqua Industries	9⅞	10
G.A.F.	12¼	12½
Gannett	35¼	35½
Gen. Amer. Inv.	10½	10½
G.A.T.X.	28¾	29
Gen. Cable	11¼	11⅜
Gen. Dynamics	57½	58
Gen. Electric	51¼	51½
General Foods	31⅝	31⅞
General Mills	27⅝	27⅞
General Motors	73	73⅛
Gen. Pub. Util.	19⅛	19
Gen. Signal	51	51¼
Gen. Tel. Elect.	29⅜	29⅜
Gen. Tire	27¾	27⅜
Genesco	5⅛	5⅞
Georgia Pacific	34⅞	34⅞
Getty Oil	196¾	196¾
Gillette	26¾	27¼
Goodrich B. F.	30⅞	29⅝
Goodyear Tire	21¾	21½
Gould	32	32⅜
Grace W. R.	29¼	29
Grand Union	21	21
Gt.Atlan Pac Tea	12½	12⅝
Grt. North Iron	26⅝	26⅝
Greyhound	14⅝	14½
Grolier	1⅜	1⅛
Gulf & Western	15¼	15
Gulf Oil	30⅝	30⅜
Halliburton	67¾	67
Hanna Mining	49⅜	50
Harnischfeger	21¼	20¾
Harris Corpn.	34⅜	34⅛
Heinz H. J.	31⅛	31
Heller W. E.	19⅛	19⅜
Heublein	26⅞	26⅝
Hewlett Packard	77½	75¾
Holiday Inns	12⅝	12½
Homestake	42⅛	41⅞
Honeywell	49¾	49⅛
Hoover	11⅝	11½
Hosp Corp Amer.	22⅞	22¾
HoustonNat.Gas	32⅞	32⅞
Hutton E.F.	14⅜	14
I.C. Industries	23⅞	24
INA	42	42
Ingersoll Rand	75	75
Inland Steel	49⅜	49½
Insilco	15¼	15
Intercont EnY'g	10¾	11
IBM	283.75	284¼
Intl. Flavour	20	20
Intl. Harvester	34⅛	34½
Intl. Min & Chem	43⅜	43⅜
Intl. Multifoods	18	18
Inco	31½	31⅞
Intl. Paper	58⅞	58⅞
IPG	34⅜	34⅝
Intl. Tel. & Tel.	33¼	33⅛
Invest	1	1
Iowa Beef	26½	26
IU International	12¾	12¾
Jim Walter	34¾	35

Stock	Mar. 17	Mar. 16
Johns Manville	32⅛	32¼
Johnson Johnson	72⅜	72
Johnson Control	38½	37⅝
Joy Manufactu'g	47¼	45¼
Kaiser Alumin'm	38½	37⅞
Kaiser Industries	16¾	16¾
Kaiser Steel	34¼	34
Kay	6¾	6⅝
Kennecott	28⅜	27½
Kerr McGee	68	68
Kidde Walter	27¾	27½
Kimberly Clark	44⅜	44⅜
Koppers	25⅛	25⅞
Kraft	45⅛	44⅝
Kresge	34⅛	34
Kroger Co.	25⅞	25⅝
Levi Strauss	26¾	27⅝
Libby Ow Ford	34¼	34⅝
Liggett Group	33¾	33⅞
Lilly (Eli)	45	45¼
Litton Indust.	15⅛	15⅛
LockheedAirc'aft	10	10⅛
Lone Star Inds.	21⅝	21⅝
Long Island Ltd.	18⅝	18¾
Louisiana Land	27⅝	27⅜
Lubrizol	32⅞	33¼
Lucky Stores	15⅞	15⅞
L'kesY'ungst'wn	12⅜	12½
MacMillan	9½	9⅜
Macy R.H.	34⅞	34¼
Mfrs Hanover	39½	39⅜
Mapco	43⅞	43
Marathon Oil	57⅛	56⅝
Marine Midland	12⅝	13¼
Marshall Field	19	18⅞
May Dept. Stores	27⅝	27½
MCA	37¾	38
McDermott	50⅝	51
McDonnell Doug.	21¼	21
McGraw Hill	17½	17⅝
Merck	58½	59
Merrill Lynch	19¼	19⅜
MGM	18⅜	18½
MinnMing&Mfg.	53¾	53⅞
Mobil Corp.	69⅜	69⅞
Monsanto	79¼	78½
Morgan J. P.	51	51¾
Motorola	42	48½
Murphy Oil	28⅛	28
Nabisco	47⅞	47⅞
Nalco Chemical	32⅜	32¼
National Can	14	14
Nat. Distillers	25⅛	25
Nat. Service Ind.	14¾	14¾
National Steel	42⅛	42⅝
Natomas	37¾	36⅝
NCR	37	37⅛
Neptune Int.	14¼	14¼
New England El.	22¼	22
New EnglandTel.	35⅞	34⅛
Niagara Mohawk	15	15
Niagara Share	11⅜	11⅜
N. L. Industries	22½	22¼
Norfolk&Western	33¼	33¼
North Nat. Gas	47⅛	47
Nthn States Pwr.	28⅜	28⅜
Nthwest Airlines	23¾	24
Nthwest Bancorp	53	53
Norton Simon	18¼	18⅛
Occidental Petrol	26¾	26⅛
Ogilvy Mather	34	33¼
Ohio Edison	19¾	19⅞
Olin	41⅞	41⅝
Overseas Ship.	26½	26¾
Owens Corning	68¼	68½
Owens Illinois	56⅜	56⅜
Pacific Gas	23¼	23¼
Pac. Lighting	18⅞	18⅞
Pac. Pwr. & Lt.	22⅛	22¼
PanAm WorldAir	4⅝	4⅝
Parker Hannifin	35	35¼
Peabody Int.	25¼	25½
Penn Pw & Lt.	20⅛	20¾
Penney J. C.	41½	41⅜
Pennzoil	33⅛	33⅜
Peoples Drug	8¾	9
Peoples Gas	46⅝	46½
Pepsico	73	72⅞
Perkin Elmer	18⅛	18¼
Pet	31⅜	31⅜
Pfizer	28½	28½
Phelps Dodge	35⅜	35½
PhiladelphiaElec	17½	17½
Philip Morris	56⅛	56⅛
Phillips Petrol'm	59½	59⅝
Pickwick Inter.	19¾	19¾
Pillsbury	38⅜	38⅜
Pitney Bowes	19⅝	20
Pittston	36⅝	35½
Plessey Ltd ADR	11¼	11⅜
Polaroid	33⅛	33½
Potomac Elec.	15⅛	15⅜
PPG Industries	55¾	55¾
Procter Gamble	83¼	83⅛
Pub. Serv. Elect.	22⅛	22
Pullman	35⅛	35½
Purex	18⅜	18⅜
Quaker Oats	22⅞	22¼
Rapid American	6⅞	6⅞
Raytheon	56	56⅜
RCA	29⅛	29⅜
Republic Steel	33¾	33⅞

Stock	Mar. 17	Mar. 16
Revlon	39⅜	40
Reynolds Metals	42⅝	42⅝
Reynolds R. J.	68	69¼
Rich'sons Merrel	24¼	23⅝
Rockwell Inter.	33⅞	34⅛
Rohm & Haas	44½	44½
Royal Dutch	55¼	55⅜
Russ Togs	11	10⅞
Ryder Systems	14⅛	14⅜
Safeway Stores	47	47¼
St. Joe Minerals	40¼	40¼
St. Regis Paper	34⅜	34¾
Santa Fe Inds.	37¼	37⅛
Saul Invest	3⅝	3¾
Saxon Inds.	4⅜	4½
Schlitz Brewing	16	16
Schlumberger	59¾	57¼
SCM	21¼	21⅜
Scott Paper	17½	18½
Scovil Mfg.	22⅝	22⅝
Scudd'r Duo Vest	7	7
Sea Containers	26⅞	27¼
Seagram	22½	22⅜
Searle (G.D.)	12	12
Sears Roebuck	63⅛	63½
SEDCO	35¾	35⅛
Shell Oil	70⅞	71⅛
Shell Transport	34⅞	34⅝
Signal	26½	27
Signode Corp.	39½	40
Simplicity Pat.	13¼	13⅝
Singer	23	23
Smith Kline	75⅞	75⅝
Solitron	2¼	2⅛
Southdown	15⅜	15⅜
Southern Cal. Ed	23½	22½
Southern Co.	16¾	16⅝
Sthn. Nat. Res.	51¼	52⅛
Southern Pacific	33½	33⅛
Southern Railw'y	58	57
Southland	23¼	23½
Sperry Hutch.	17	16⅞
Sperry Rand	38¾	38⅛
Squibb	29¾	29⅞
Standard Brands	29	28½
Std.Oil California	41⅝	41⅞
Std. Oil Indiana	52¾	53
Std. Oil Ohio	83¼	82⅜
Stauff Chemical	49⅛	49¼
Sterling Drug	15⅜	15⅜
Studebaker	42⅞	42⅜
Sun Co.	44⅜	44⅞
Sundstrand	34⅛	34¾
Syntex	19⅛	19¼
Tandy	38¾	39
Technicolor	7⅛	7
Tektronix	59⅛	59¾
Teledyne	60⅛	60⅝
Telex	2⅝	2⅝
Tenneco	33⅜	33¼
TesoroPetroleum	14⅛	14½
Texaco	27¼	27⅞
Texasgulf	30¾	30¾
Texas Instm.	88¼	85¾
Texas Oil & Gas	27⅝	27⅝
Texas Utilities	20¼	20¼
Time Inc.	37	37½
Times Mirror	21	20½
Timken	63⅜	64⅝
Trane	35	35½
Transamerica	14	14¼
Trans Union	35¾	35½
Transway Int'nl	22⅛	22
Trans World Air	10⅛	10⅝
Travelers	32⅛	32⅛
Tri Continental	21⅜	21⅝
T.R.W.	37⅞	37⅝
20th CenturyFox	10½	10⅝
UAL	21	21⅝
UARCO	20¾	20¾
UGI	20	19¾
UOP	14⅞	14⅝
Unilever	32¼	32⅛
Unilever NV	50½	50
Union Bancorp	12	12¼
Union Carbide	60⅝	61
Union Commerce	8⅛	8⅛
Union Oil Calif.	58¼	58¼
Union Pacific	53¼	52¼
Uniroyal	9⅞	9⅞
United Brands	8¾	9
United Corp.	10⅜	10⅜
US Bancorp	28⅜	28⅜
US Gypsum	25⅛	25¼
US Shoe	23⅛	23⅝
US Steel	48½	48¾
U. Technologies	36⅜	36⅝
UV Industries	37½	36⅞
Virginia Elect.	14⅛	14⅛
Walgreen	16¼	16⅛
Warner-Commun.	29	29
Warner-Lambert	29	28⅞
Waste Man'ment	14¼	14¼
Wells-Fargo	27¼	27¾
Western Bancorp	27½	27⅜
Western N. Amer	16½	16⅜
Western Union	18	18
Westing'h Elect	18⅛	18¼
Westvaco	31¼	31¼
Weyerhaeuser	40⅛	40⅜
Whirlpool	25	24⅞
White Cons. Ind.	25⅝	25¼
Williams Co.	25	25
Wisconsin Elect.	29⅛	29¼
Woolworth	25⅛	25¾
Wyly	1⅝	1⅝

Stock	Mar. 17	Mar. 16
Xerox	49⅞	50
Zapata	10⅞	11⅛
Zenith Radio	26½	26⅞
Chile 3% 1995	†91½	†91½
U.S. Treas. 4% 1980	†93⅝	†93⅝
USTreas4½%75/85	†82⅜	†82⅜
U.S. 90 Day bills	4.61%	4.61%

CANADA

Stock	Mar. 17	Mar. 16
Abitibi Paper	11¼	11½
Agnico Eagle	6¾	6¾
Alcan Aluminum	28⅝	29
Algoma Steel	17½	17
Asbestos	22	22
Bank Montreal	14½	14½
Bank Nova Scotia	20½	20½
Basic Resources	9⅛	9⅛
Bell Telephone	48½	48⅜
Bow Valley Inds.	19¼	19⅝
BP Canada	11	11
Brascan	11⅞	12
Brinco	†3.25	†3.25
Calgary Power	32⅝	32½
Canada Cement	7¾	8
Canada N/W Land	7⅛	7⅛
Can Imp Bk Com	24⅝	24⅞
Canada Indus.	19	†18½
Can. Pacific	17⅞	17⅞
Can. Pacific Inv.	19½	19⅝
Can. Super Oil	40⅝	41¼
Carling O'Keefe	2.99	3.00
Cassiar Asbestos	7	7
Chieftain	11½	11⅞
Cominco	38	37¾
Cons Bathurst	29¼	29¼
Consumer Gas	14⅛	14½
Costain Rich	9⅜	9¼
Decca Resources	7	7
Denison Mines	53	52
Dome Mines	58	58
Dome Petroleum	41⅜	41⅜
Dominion Bridge	19¾	†19
Domtar	16	15⅞
Dupont	13½	13¼
Falcon'ge Nickel	29	38¾
Ford Motor Can.	†90¼	†90¼
Genstar	22⅛	22⅞
Giant Y'llwknife	8	†7¾
Gulf Oil Canada	28⅜	28⅜
Hawker Sid. Can.	4.65	4.65
Hollinger	31	31
Home Oil 'A'	30⅛	30½
Hudson Bay Mng	19⅜	19⅛
Hudson Bay	16	15⅞
Hudson Oil & Gas	35⅞	35⅜
I.A.C.	16¼	16¼
Imasco	26¾	27¼
Imperial Oil	22⅛	22¼
Inco	33⅜	33½
Indal	15⅛	15⅝
Inland Nat. Gas	†10⅛	†10⅛
Int'pr'v PipeLine	13¼	13⅛
Laurnt'n FinCorp	7¼	7¼
Loblaw Com. 'B'	†2.95	2.95
Mc'mill'n Bloedl	24⅜	24⅜
Massey Ferguson	20¾	20¾
McIntyre Porcpne	33	31½
Moore Corpn.	35¼	34⅞
Noranda Mines	33⅝	33⅞
Norcen Energy	10¾	11
Nthn Telecom	31¾	31½
Numac Oil & Gas	15	15
Oakwood Petr'm	1.55	1.51
Pacific Copper M.	1.05	1.00
Pacific Petroleum	29⅜	29½
Pan. Can. Pet'lm	24¾	25¼
Patino	17¾	†17½
Peoples Dept. S.	5⅞	5¾
Place Gas & Oil	0.44	0.41
PlacerDevelopmt	22⅜	22⅜
Power Corporat'n	8⅜	8⅜
Price	11¼	11¼
Quebec Sturgeon	1.16	1.07
Ranger Oil	21⅞	22¼
Reed Shaw	7⅞	7⅞
Rio Algom	27⅛	27⅛
Royal Bk. of Can.	24¼	24¼
Royal Trust	17⅞	18
Seagrams	28⅜	28⅞
Shell Canada	14⅛	14¾
Sherritt G Mines	6⅛	6
Siebens O.G.	13¾	13⅝
Simpsons	5⅝	5⅛
Steel of Canada	26⅜	26¼
Steep Rock Iron	1.95	2.00
Talcorp	†10⅛	†10⅛
Texaco Canada	28	27¾
Toronto Dom. Bk	17⅞	17¾
TransCan PipeLn	14⅛	14⅛
Trans Mount Oil	9⅞	9⅞
Trizec	†12¼	†12¼
Union Gas	9⅛	9⅛
United Corp 'B'	10⅛	†10⅛
Walker Hiram	29	28
West Coast Trans	27¾	27⅞
Western Geo.	12	12

n Asked. § Assumed. † Bid. ‡ Traded. n New stock.

GERMANY ◆

Mar. 17	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	87.8	−1.2	—	—
Allianz Versich.	398	......	18	2.3
B.M.W.	226.2	−0.3	18	4.0
BASF	158.5	−0.9	14	4.4
Bayer	136.5	−0.9	14	5.1
Bayer Hypo	264	......	20	3.8
Bayer Vereinsbk.	262.5	−2	20	3.3
Commerzbank	186	−1.5	18	4.8
Conti. Gummi	64.8	−0.3	—	—
Daimler Benz	334	−1.5	17	2.5
Degussa	334	−1.8	18	2.7
Demag	140.5	−0.5	16	5.7
Deutsche Bank	267	−2.5	20	3.7
Dresdner Bank	216	−1	20	4.6
Dyckerhoff Zemt.	115	−1	6	2.6
Gutehoffnung	162	−0.5	14	4.3
Hapag Lloyd	115.2	+0.2	12	5.2
Harpener	158	−5	9	5.6
Hoechst	138.6	−0.4	14	5.0
Hoesch	44.6	−0.4	—	—
Horten	125.5	......	14	5.8
Kali und Salz	114	−1	7	3.1
Karstadt	329	−1	y20	3.0
Kaufhof	207.5	......	20	4.8
Klockner DM.100	86.7	−1.3	—	—
Klock Humbolt	141	−0.5	10	3.5
Krupp	99	......	—	—
Linde	200	+2	16	4.0
Lowenbrau	1,670	......	20	1.2
Lufthansa	96.7	−0.8	4	2.1
M.A.N.	152	−2	14	4.6
Mannesmann	163	−0.2	17	4.3
Metallges	205	......	10	—
Munch. Ruckversl	420	......	18	2.1
Neckermann	42.8	−0.7	—	—
Preussag	144	−1.5	7	4.9
Rhein West Elect	159.8	......	17	5.0
Schering	272	−1	20	3.7
Siemens	250.5	−0.7	16	2.8
Sud'eutsche Zcker	236	+1	19	4.1
Thyssen Hutte	114	−0.5	14	6.1
Varta	255.5	−2.5	14	2.7
VEBA	125.5	−1.5	12	4.8
Verein & West Bk	305	+1	20	3.0
Volkswagen	144.3	+0.1	—	—

AMSTERDAM

Mar. 17	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	80.5	+2.5	20	5.0
Akzo (Fl.20)	30.6	−0.5	—	—
AlgemBnk.(Fl.100)	302.6	+1	22.50	7.2
AMEV (Fl. 10)	55.8	+0.3	38	6.8
AmroBank (Fl.20)	68.5	−0.4	23	6.8
Bijenkorf (Fl.20)	80.7	−0.3	21	5.2
Boka Westm Fl.10	118	......	57½	4.9
Buhrm-Tetterode	71	−0.6	23	6.5
Elsevier (Fl.20)	230	+4	78	1.6
Ennia N.V. Bearer	114	+1	32.4	5.0
EuroCom TstFl.10	62	......	30.4	5.2
Gist BrocadesFl.10	58.3	−0.5	20	3.4
Heineken (Fl.25)	126.2	......	14	2.8
Hoogovens (Fl.20)	36.2	−0.2	—	—
H'ntDouglas Fl.	30.5	+0.3	11	3.6
K.L.M. (Fl.100)	94	−7.2	—	—
Int.Muller (Fl.20)	45	+3.6	10	4.4
Naarden (Fl.10)	40.7	+0.2	10	2.4
Nat Ned Ins Fl.	91.5	+0.1	10	4.9
NedCredBk Fl20	49.6	+0.2	20	8.0
NedMidBk (Fl50)	148	+1.8	20	6.8
OCE (Fl.20)	161	+0.8	34	4.2
Van Ommeren	151	+2	10	—
Pakhoed (Fl.20)	77.5	+0.5	21	5.4
Philips (Fl. 10)	26.1	+0.2	14	5.4
RijnSchVer Fl100	60.1	+0.1	18	30.0
Robeco (Fl.50)	185.5	+0.2	25.2	6.7
Rolinco (Fl.50)	134.5	......	5	1.9
Rorento (Fl.50)	126.4	......	15.5	6.0
Royal Dutch(Fl20)	137.8	−0.6	50	7.3
SlavenBurg's Bnk	247.5	+1	19	7.6
StevinGrp(Fl.20)	101	......	25	5.0
Tokyo Pac Hlgs $1	99	−1	$0.5	1.5
Unilever (Fl.20)	124.8	−0.5	41.8	6.7
VikingRes.Int.$1	40.7	−0.1	$0.20	1.4
VMF Stork	82	......	14	—

COPENHAGEN ♣

Mar. 17	Price Kroner	+ or −	Div. %	Yld. %
Andelsbanken	154	−½	10	6.4
Burm'str W. A/S	299½	+½	15	5.0
Danske Bank	137¾	−¾	11	8.0
Dan Provinsbank	156½	......	11	6.5
East Asiatic Co.	290¼	+1¼	12	4.0
Finansbanken	147¼	−⅛	13	8.8
For. Bryggerier	374	+2	12	3.2
For. Papirfabrik	99	−½	15	11.1
Handelsbank Cop	139½	−½	11	7.1
G.Northern Hld.	266	+1	12	4.1
Nord Kabel	262¾	+5¼	12	4.5
Oliefabrik	119	−1½	12	9.9
Privatbank	149½	......	11	6.9
Soph. Berendsen	322	−1	11	5.4
Superfos	275¾	+1¾	12	4.4

VIENNA

Mar. 17	Price %	+ or −	Div. %	Yld. %
Creditanstalt	348	......	10	3.0
Perlmooser	302	−3	9	3.0
Selecta	570	−1	48	7.2
Semperit	130	−1	—	—
Steyr Daimler	181	+1	5	4.8
Veit Magnesit	353	−3	22	6.2

TOKYO ‖

Mar. 17	Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	336	......	14	2.1
Canon	598	−6	11	0.9
Casio	439	−5	25	2.8
Chinon	986	−9	20	1.0
Dai Nippon Print	570	−1	18	1.6
Fuji Photo	815	−8	15	0.9
Hitachi	201	−7	12	3.0
Honda Motors	654	+3	18	1.4
House Food	1,420	+10	35	1.2
C. Itoh	285	+4	12	2.1
Ito-Yokado	1,550	......	30	1.0
Jaccs	570	+9	13	1.1
J.A.L.	2,480	−20	—	—
Kansai Elect. Pw.	851	+1	8	4.7
Kinki Elec.	1,010	......	5	0.9
Komatsu	325	−3	18	2.8
Kubota	345	......	15	2.2
Kyoto Ceramic	4,040	−20	35	0.4
Matsushita Ind.	654	−2	20	1.6
Mitsubishi Bank	284	+3	10	1.8
Mitsubishi Heavy	127	+1	12	4.7
MitsubishiCorp.	486	−1	13	1.3
Mitsui & Co.	474	......	14	1.5
Mitsukoshi	437	−2	20	2.3
Nippon Denso	1,650	−10	15	0.5
Nippon Shinpan	413	......	12	1.5
Nissan Motors	682	−1	16	1.2
Pioneer	2,180	−20	48	1.1
Sanyo Electric	255	......	12	2.6
Sekisui Prefab	863	−7	30	1.8
Shiseido	1,230	−30	20	0.8
Sony	2,860	−40	40	0.7
Taisho Marine	314	+5	11	1.8
Takeda Chemical	242	−3	15	3.1
TDK	1,770	−20	30	0.8
Teijin	123	......	10	4.1
Tokio Marine	451	−4	11	1.2
Tokyo Elect. Pwr.	842	−8	8	4.8
Tokyo Sanyo	322	+4	12	1.9
Tokyo Shibaura	120	......	10	4.2
Toray	128	+2	10	3.9
Toyota Motor	1,180	−10	20	0.8

Source Nikko Securities, Tokyo

BRUSSELS/LUXEMBOURG

Mar. 17	Price Frs.	+ or −	Div. Frs. Net	Yld. %
Arbed	3,100	+50	—	—
Bq Brx Lamb.	1,480	......	40	2.8
Bekaert "B"	1,850	+20	105	5.6
C.B.R. Cement	1,484	+12	90	7.4
Cockerill	604	+4	—	—
E.B.E.S.	2,125	+5	161	7.3
Electrobel	5,520	−30	400	7.3
Fabrique Nat.	1,886	......	100	5.4
G. B. Inno-Bm.	1,675	−5	70	4.1
Hoboken	3,225	−35	150	4.8
Intercom	1,675	−15	129	7.7
Kredietbank	6,580	−10	245	3.7
La Royale Belge	4,390	+20	285	6.1
Pan Holding	2,670	......	$2.16	2.9
Petrofina	4,600	+50	170	3.8
Photo Gevaert	1,246	+10	75	6.1
Soc. Gen. Banque	2,585	+25	135	6.5
Soc. Gen. Belgique	2,060	......	175	6.6
Sofina	2,980	+30	195	6.5
Solvay	2,450	−5	170	6.9
Traction Elect.	2,615	......	160	5.7
U.C.B.	2,070	−30	A125	5.9
Un. Min. (1/10th)	960	−18	70	7.2
Vieille Montagne	2,980	......	150	12.1

STOCKHOLM

Mar. 17	Price Krone	+ or −	Div. Kr.	Yld. %
AGA AB (Kr.50)	190	−1	5.5	2.9
Alfa Laval B(Kr50)	169	......	5	3.1
Asea (Kr.50)	131	−5	5	3.8
AtlasCopco(Kr25)	141	−2	6	4.3
Billerud	185	......	8½	4.6
Bofors	272	−1	10	3.7
Cardo	350	+5	11	3.1
Cellulosa	303	+2	9.5	3.2
Electrolux 'B'	141	+1	5	3.2
Ericsson 'B'(Kr50)	111	−2	6½	
Esselte "B"	259	−1	8	3.0
Fagersta	136	......	8	5.9
Granges (free)	67.5	−0.5	—	—
Handelsbanken	281	+5	17½	6.3
Marabou	170	−5	10	6.0
Mo Och Domsjo	137	......	10	7.4
Sandvik A. B.	269	−1	5¾	2.9
S.K.F. 'B' (Kr50)	95	+2	4½	4.7
Skand Enskilda	250	+1	16	6.4
Tandstik 'B' (Kr50)	106	−2	5	4.7
Uddeholm	73	−1.5	—	—
Volvo (Kr50)	93	......	6	6.4

MILAN

Mar. 17	Price Lire	+ or −	Div. Lire	Yld. %
ANIC	338	......	—	—
Bastogi	775	+3	—	—
Fiat	1,799	+9	—	—
Do. Priv.	1,210	−10	100	5.6
Finsider	162	+1.5	100	0.9
Italcementi	11,800	−140	300	3.1
Italsider	237	−5	—	—
Mediobanca	40,310	−690	1,200	3.0
Montedison	305	+5	—	—
Olivetti Priv.	1,050	−1	—	—
Pirelli & C.	2,060	−5	110	5.3
Pirelli Spa	1,169	−8	80	0.7
Snia Viscosa	1,095	+1	—	—

AUSTRALIA

Mar. 17	Aust. $	+ or −
ACMIL	0.62	......
Acrow Australia	†0.60	......
Adelaide Brighton Cement 50c	†1.32	+0.02
Allied Mnfg-Trdg-Indus. $1	†1.48	+0.02
Ampol Exploration	†0.96	+0.01
Ampol Petroleum	†0.55	+0.01
Assoc. Minerals	†1.30	......
Assoc. Pulp Paper $1	†0.78	−0.04
Assoc. Con. Industries	†1.53	+0.02
Aust. Foundation Invest.	†0.80	−0.01
A.N.I.	†1.20	......
Aust. Oil & Gas	†0.08	−0.01
Blue Metal Ind.	†0.76	......
Bougainville Copper	†1.26	......
Broken Hill Proprietary	†6.56	−0.02
BH South	†1.36	......
Carlton United Brewery	†1.71	+0.03
G. J. Coles	†1.42	......
CSR ($1)	†3.42	+0.02
Cons. Goldfield Aust.	†1.52	......
Container ($1)	†1.52	......
Conzinc Riotinto	†3.18	......
Costain Australia (25c)	†1.80	+0.05
Dunlop Rubber ($1)	†0.84	......
ESCOR	†0.72	......
Elder Smith ($1)	†1.96	−0.02
E.Z. Industries	†2.80	−0.02
Gen. Property Trust	†1.20	......
Hamersley	†2.95	+0.02
Hill 50 Uranium NL	†0.12	......
Hooker	†0.57	......
I.C.I. Australia	†1.71	+0.03
I.A.C. Holdings	†0.52	−0.01
Inter-Copper	†0.88	......
Jennings Industries	†1.08	+0.03
Jones (David)	†0.89	......
Metal Exploration	†0.27	......
MIM Holdings	†2.48	−0.07
Myer Emporium	†1.95	......
News	†1.75	+0.02
Nicholas International	†0.77	+0.01
North Broken H'dings (50c)	†1.17	+0.01
Oakbridge	†1.09	......
Oil Search	†0.07	−0.01
Pioneer Concrete	†1.10	......
Reckitt & Colman	†3.30	......
H. C. Sleigh	†0.52	−0.01
Southland Mining	†0.24	−0.01
Stocks & Holding	†2.0	......
Tooth ($1)	†1.44	−0.02
Waltons	†0.65	......
Western Mining (50cents)	†1.60	+0.03
Woolworths	†1.25	+0.01

PARIS

Mar. 17	Price Frs.	+ or −	Div. Frs.	Yld. %
Rente 4½%	625	+5	4½	0.7
Afrique Occid't'le	391.2	+2.8	19.8	5.1
Air Liquide	346	+6.5	16.5	4.7
Aquitaine	285	+7.5	22.5	7.9
BIC	730	−5	10.5	1.4
Bouygues	506.8	+1.8	30.6	9.8
B.S.N. Gervais	426	......	37.5	12.3
Carrefour	1,389	......	57	4.1
C.G.E.	241	−0.5	25.95	10.7
C.I.T.-Alcatel	1,031	......	54.75	5.3
Cie Bancaire	279	+1.5	12	4.3
Club Mediter.	351.2	−2.8	6	1.6
CreditCom Fr'nce	102.2	+1.2	11.1	10.9
Creusot Loire	87.8	+1.6	12	13.7
Dumez	605	+11	18.9	3.2
Fr. Petroles	109.9	+0.9	14.1	12.9
Gen. Occidentale	176	+1	8.25	4.7
Imetal	85.2	+0.1	4.95	5.8
Jaques Borel	164.2	−0.8	9	5.4
Lafarge	182	......	15.75	8.6
L'Oreal	686	......	18	1.8
Legrand	1,665	......	30	1.8
Maison Phenix	1,490	+9	37.5	2.5
Michelin "B"	1,140	+2	50.6	3.6
Moet Hennessey	386	+4.5	11.85	3.1
Moulinex	183.1	+0.1	3	1.6
Paribas	149	−1.5	16¾	11.0
Pechiney	73	+1	7.5	10.3
Pernod-Ricard	350.5	−0.5	13.5	4.3
Peugeot-Citroen	238	+3.5	15	6.3
Poclain	155	......	—	—
Radio Technique	430	+2	24	5.1
Redoute	570	−3	22.5	3.9
Rhone Poulenc	71	+0.5	9	12.7
St. Gobain	119.3	+0.7	13.95	11.6
Skis Rossignol	1,810	+5	37.5	2.1
Suez	209	+4	25.5	12.4
Telemecanique	550	−10	10.50	2.1
Thomson Brandt	171.5	+0.5	14.25	7.4
Usinor	27.80	+0.78	—	—

SWITZERLAND ●

Mar. 17	Price Frs.	+ or −	Div. %	Yld. %
Aluminium	1,470	+10	6	2.1
Bally Hld.	1,220	−30	—	—
BBC 'A'	1,485	−10	10	3.3
Ciba Geigy	1,365	+5	22	1.6
Do. Do. Part.	1,075	−5	22	2.0
Do. Do. Reg.	664	+1	22	3.4
Credit Suisse	2,750	+5	16	2.9
Fischer (George)	665	−5	—	—
G'nd Mag.Jel P10	1,165	−5	19	1.7
HoffmanLa Roche	84,750	+500	550	0.6
Interfood B.	2,850	+25	20	3.5
LandisG'yr Bkt F200	765	+15	5	3.3
Nestle Fit. (100)	3,400	+15	a78.8	2.3
Do. Reg.	2,040	−5	a78.8	3.8
Sandoz (Fr. 250)	4,625	......	26	1.6
Do. Br. PartCarte	3,700	+25	26	1.7
Sulzer Arbon	790	+10	26	3.1
Soc. Int. Pirelli	187	+1½	14	7.5
Swissair (F.350)	650	−3	5.7	3.0
Swiss Bank Corp.	391	+1	10	2.5
Un. Bank of Switz.	3,390	+15	20	2.9
Winterthur Br.	1,880	−10	30	1.6
Zurich Ins. Br.	9,950	+25	40	1.9

BRAZIL

Mar. 17	
Banco Brasil PP	[illegible]
Belgo Mineira OP	[illegible]
Brahma PP	[illegible]
Docas Santos OP	[illegible]
Lojas Amer. OP	[illegible]
Petrobras PP	[illegible]
Samitri OP	[illegible]
Mannesman OP	[illegible]
Souza Cruz OP	[illegible]
Vale Rio Doce PP	[illegible]

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OSLO

Mar. 17	
Bergens Bank	[illegible]
Borregaard	[illegible]
Creditbank	[illegible]
Kosmos	[illegible]
Kreditkassen	[illegible]
Norsk Hydro Kr80	[illegible]
Orkla Ind.	[illegible]
Storebrand	[illegible]

JOHANNESBURG

Anglo American C...	[illegible]
Charter Consolidated	[illegible]
East Driefontein	[illegible]
Elsburg	[illegible]
Harmony	[illegible]
Kinross	[illegible]
Kloof	[illegible]
Rustenburg Platinum	[illegible]
St. Helena	[illegible]
Southvaal	[illegible]
Gold Fields SA	[illegible]
Union Corporation	[illegible]
De Beers Deferred	[illegible]
Blyvooruitzicht	[illegible]
East Rand Pty.	[illegible]
Free State Geduld	[illegible]
President Brand	[illegible]
President Steyn	[illegible]
Stilfontein	[illegible]
Welkom	[illegible]
West Driefontein	[illegible]
Western Holdings	[illegible]
Western Deep	[illegible]
INDUSTRIALS	
African Explos. and ...	[illegible]
Anglo-Amer. Indust.	[illegible]
Barlow Rand	[illegible]
CNA Investments	[illegible]
Currie Finance	[illegible]
De Beers Industrial	[illegible]
Edgars Consolidated	[illegible]
Edgars Stores	[illegible]
EverReady SA	[illegible]
Federale Volksbel.	[illegible]
Greatermans Stores	[illegible]
Guardian Assurance	[illegible]
Huletts	[illegible]
LTA	[illegible]
McCarthy Rodway	[illegible]
NedBank	[illegible]
OK Bazaars	[illegible]
Premier Milling	[illegible]
Pretoria Cement	[illegible]
Protea Holdings	[illegible]
Rand Mines Propert.	[illegible]
Rembrandt Group	[illegible]
Retco	[illegible]
Sage Holdings	[illegible]
SAPPI	[illegible]
C. G. Smith Sugar	[illegible]
Sorec	[illegible]
SA Breweries	[illegible]
Tiger Oats and Nat.	[illegible]
Unisec	[illegible]

SPAIN ♥

March 17	
Asland	[illegible]
Banco Bilbao	[illegible]
Banco Atlantico	[illegible]
Banco Central	[illegible]
Banco Exterior	[illegible]
Banco General	[illegible]
Banco Granada	[illegible]
Banco Hispano	[illegible]
Banco Iberico	[illegible]
Banco Ind. Cat.	[illegible]
Banco Occidental	[illegible]
Banco Popular	[illegible]
Banco Santander	[illegible]
Banco Urquijo	[illegible]
Banco Vizcaya	[illegible]
Banco Zaragozano	[illegible]
Bankunion	[illegible]
Banus Andalucia	[illegible]
Babcock Wilcox	[illegible]
CIC	[illegible]
Dragados	[illegible]
Inmobanif	[illegible]
E. I. Aragonesas	[illegible]
Espanola Zinc	[illegible]
Expl. Rio Tinto	[illegible]
Fecsa (1,000)	[illegible]
Fenosa (1,000)	[illegible]

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FINANCIAL TIMES SURVEY

Friday March 18 1977

IRELAND

If Ireland is to avoid slipping back from its present relative prosperity into the poverty of the past, much needs to be done—and done quickly—to speed up the rate of economic growth. Unemployment is already the highest in the EEC, yet many more jobs will be required to meet population forecasts.

...gent ...d to ...ate ...s

...s Merritt
...rrespondent

...IS shaping up for a ...ection this year, per... ...e next three months ...as possibly in the ...ven betting men are ...of putting money on ...ne, which after four ...have been politically ...nically difficult says ...for the present Irish ...t and—less obviously ...ething too about life ...iblic generally.

...often a distorting ...country's true state, ...so in the case of a ...n such as the Irish ...that is so often ...outbursts of violence ...rsy related to Ulster ...a population of just ...t lacks the economic ...ake positive news in ...n.

...ider's perception of ...erefore, tends to be ...conomically ailing ...t is continually be... ...d from within by ...publicans. But if, as ...pinion polls suggest, ...ael-Labour Coalition ...is running neck... ...th the Fianna Fail ...Irish politics are ...as volatile as might

...ed

...e economic disaster ...have dogged Mr. ...rave's Government ...past year, Ireland ...ed the worldwide re... ...remains relatively ...Most important, ...is a pleasant and ...ce to live in. What it ...athtaking efficiency ...for in respect for ...al's rights. It enjoys ...arliamentary demo... ...far it has escaped ...and of a top-heavy ...Dublin has just ...st EEC body and it ...s, no accident that ...e called the Euro... ...ation for the Im... ...f Living and Work... ...ns.

...concern, however, ...ther, less relaxed ...lately come to call ...of life" is never... ...xed blessing. As a ...of the EEC and ...ation that demands ...ards comparable to ...European partners, ...nder presure from ...without to gear it... ...to a more pro... ...d. At present the ...nong Irish Labour ...s towards demands ...ay rates and shorter ...veeks — Ireland's ...re with Britain is ...ily positive.

...work ethic as, say, ...Germans would ...still to be fostered ..., too, has the reali... ...he Irish now have ...time in which to ...ways. Nothing if ...e to their own ...its, the Irish have ...pocryphal joke that ...the Mediterranean ...fe in the Republic. ...shed Professor of ...xed in a TV inter... ...anslate "mañana". ...fter a moment of ...ection he replies: ...nothing. I regret. ...s quite the same ...ency."

...eality of Ireland's ...that urgency is the vital element needed to solve Ireland's extremely serious medium-term problems. The Republic faces a population explosion of frightening dimensions, and unless radical industrial restructuring measures are taken very soon it can expect unemployment to be so high in ten years time that its internal political stability may be at risk.

Only a few weeks ago the Government's Central Statistic Office came out with figures that more or less confirmed those produced in February, 1975 by Ireland's foremost demographic expert. A shade more conservative than the original figures, the CSO nevertheless projected that the Republic's population will top 3.5m. by 1986. The two-year old report, prepared by Professor Brendan Walsh for the National Economic and Social Council that advises the Irish Government had already spelled out the problem in alarming detail. Assuming, as Ireland now must, that the traditional overspill for her high birth rate of emigration is largely closed, the Republic's population could go as high as 3.8m. in 10 years' time and 4.3m. by the turn of the century.

Unemployment is already the highest in the EEC at just over 12 per cent—and probably much more, if the authorities were able to analyse the grey area between unemployment and underemployment. Apart from the long-term planning required to cope with the coming population bulge, the Irish must provide a total of about 420,000 new jobs by 1986, almost 50 per cent more than the existing workforce, if unemployment is to be reduced to an "acceptable" 4 per cent. In short, they must revolutionise industry to accommodate those people already born, let alone those who soon will be born given the existing social trends in Ireland.

These social patterns are, of course, a direct result of the country's staunch Catholicism. As Ireland becomes less inward looking because of its increasing ties with Continental Europe, the debate over the degree of religious orthodoxy that is desirable intensifies. Inside the Cabinet there are proponents of contraception, divorce and educational reform and the conflict between Liberals and Conservatives now reaches right down through almost all strata of Irish society. Conscience struggles with practicality and, in some cases, with humanity and charity.

Even if at some future date the debate results in liberalisation, it is not a question that divides the Irish in the sense that does Republicanism. The great majority of Irishmen appeared deeply shocked by the Provisional IRA's assassination last July of the new British Ambassador to Dublin, Mr. Christopher Ewart-Biggs, in a landmine explosion just outside the gates of his official residence. But the roots of Irish Republicanism go deep and there remains a disturbing ambivalence.

Extremism

The Northern Ireland situation continues to dominate Irish politics to a degree that often seems disproportionate. Mr. Cosgrave's Government takes the firm view that Britain must remain in Ulster, militarily and economically, for the foreseeable future — which is to say until a political solution can be found. To that extent, the U.K. and the Irish Republic have a common position and Dublin's crackdown on the Provisional IRA over the past two years has done much to dispel British prejudice that the South quietly supports Republican extremism. On the other hand, the reunification of Ireland into a 32-county nation remains a legitimate aspiration, enshrined in the constitution, and the average Irishman's sense of history is enough to make him a wary ally of Britain. As often as not he will cheerfully admit the truth of the old saw that the Irish "forget nothing, and learn nothing."

Of late, there has been much publicised diplomatic tension between London and Dublin. The coincidence of a number of minor disagreements, ranging from Ireland's insistence on pressing its "torture case" in the European Court of Human Rights concerning the sensory deprivation interrogation techniques used by security forces in Ulster in 1971 to this month's trial in Dublin of SAS men who strayed across the Ulster border ten months ago, and from disputed offshore oil exploration areas to Ireland's refusal to sign a Council of Europe anti-terrorism pact because it involved extradition, have added up to an irritable row. Happily, the differences appear to have been smoothed over, for Anglo-Irish tensions benefit no one but the Provisional IRA.

Dominant

No doubt because neighbouring Britain is such a dominant force, Ireland tends to be touchy on the matter of its national sovereignty. The Republic embraced EEC membership with fervour because Brussels is a welcome counterbalance to London. The Irish are therefore still unwilling to admit that there is more to being independent than having a separate government.

Britain's responsibility for the external value of Ireland's currency, and for the interest rates that can obtain in the Republic (unless Dublin is prepared to risk massive capital movements across the Irish Sea), denies any Irish government the controls it needs to fine-tune its own economy. And Ireland has pressing economic problems. The election victory four years ago of the Coalition brought the introduction of its 14-point programme, which included many social improvements. After 16 years of Fianna Fail rule, the new welfare emphasis has been widely hailed but its expense coincided unfortunately with the recession. The result is that the State's finances are parlous. The Government borrowing requirement is 12 per cent of GNP, twice Britain's level, and soaring indebtedness now means that by 1980 as much as 30 per cent of all State spending will be absorbed by interest charges and repayments. Small wonder that Dublin is looking more and more to the EEC Commission for sympathy expressed in straightforward aid to compensate for what Finance Minister Mr. Richie Ryan describes as "structural disadvantages."

Small wonder, too, that Ireland is inclined to blame Britain for many of her economic ills. The Republic's EEC league-topping inflation rate of 18 per cent last year had been around 21 per cent in 1975, and with half of Ireland's imports coming from the U.K. the temptation was to state that the whole problem was imported. To a large extent, it is true for the two economies are inextricably intertwined. But there is a not inconsiderable body of opinion in Dublin that Ireland should sever its sterling link, which is said to hold the Republic back. The danger is, of course, that without the offsetting effect of sterling's progressive devaluation, the buoyancy of Irish exports would have been punctured. As it was, the competitiveness gained in world markets as sterling fell was largely eroded by Ireland's inflationary wages position, for pay awards in the past three years have outstripped those in Britain. Some outside observers maintain that the link with Britain—be it currency or the free movement agreement that allows 1m. Irish citizens to live in the U.K.—is the only thing that stands between the Republic and Latin American-style economic deterioration and political chaos.

It is an exaggeration. In any case, Ireland's problem is not of sliding abruptly into disaster but of slipping gently into poverty when compared to its already richer European neighbours. To return to the looming population crisis, the choice that must urgently be made is between restructuring industry to become much more labour-intensive, and less profitable, or allowing the "haves" to retain their wealth in the face of fast growing unemployment. The issue does not, sadly, appear to be one that will dominate the coming General Election. Both political blocs apparently fear the consequences of frightening the voters.

BASIC STATISTICS

Area	27,136 sq. miles
Population	3,162,000
GNP 1976 (provisional).	£4,404m.
GNP per capita	£1,421
TRADE (1976 provisional)	
Imports	£2,336m.
Exports	£1,857m.
Imports from U.K.	£1,154m.
Exports to U.K.	£906.5m.
External reserves (mid-March)	£986m.

Tough economic measures

LARGELY unnoticed, Ireland received an encouraging bouquet from the EEC Commission this month. It made a nice change, because for the past year Brussels, together with the OECD and a variety of commentators ranging from Dublin-based institutions to the McKinsey management consultancy, has been chiding the Irish for their poor economic performance.

The Irish Government was praised for its tough 1976 budget and the efforts that through the year reduced inflation by three percentage points to 18 per cent. There has been further encouragement for Ireland from the Henley Centre for Forecasting, which has recently published a report containing projections for 1977-82.

According to the Centre, this year should see the Republic's economy recover from the trough of the recession, with the revival peaking in 1978. The factors that should make 1977 a year of economic improvement are that Irish exports are expected to rise 6½ per cent. in volume, in response to a projected growth in world trade of 5½ per cent. Inflation is likely to drop to 14 per cent., and with overall growth expected to top last year's 3½ per cent. to reach 4 per cent., forecast of increased capital spending in Ireland range from the Henley Centre's 5½ per cent. to the Republic's Industrial Development Authority (IDA) prediction of 9 per cent.

Mounting business confidence is generally believed to underwrite these optimistic forecasts, and only days before the Henley figures came out a survey released jointly by the Dublin-based Economic and Social Research Institute and the Confederation of Irish Industry stressed the level of business optimism for 1977.

The signing of a relatively modest 1977 national wage agreement in the past few weeks has reinforced that mood. In return for tax cuts totalling around £100m., the 90-union-strong Irish Congress of Trade Unions settled for a deal allowing £4 to £8.26 weekly rises. While not exactly severe restraint, it nevertheless offers wage stability for 14 months.

Depressing

It is, however, a case of "First, the good news." For although the forecasters — with the exception of an EEC study in late January that put GNP growth at 2½ per cent. for this year — seem agreed that Ireland can look forward to two buoyant years, the projections for the end of the decade and the early 1980s are depressing. The Henley Centre suggests that 1980 will mark a low point in the Irish economy. By that year, it says, the real volume of personal consumer spending will have declined so far that per capita living standards will return to 1974 levels.

Ireland's most basic problem is jobs, as anyone with even the haziest notion of Irish history will know. Over the past 15 years the IDA—the powerful, autonomous State body entrusted with the task of attracting new industry—has accomplished feats that in many other countries would be little short of spectacular.

Foreign investment has flooded in in response to attractive tax and training incentives to change the face of Irish industry. U.S. and European companies have established subsidiaries and the Japanese, who are now being hotly wooed by the IDA because of their major overseas investment strategy for the coming 25 years, have so far sunk into the Republic well over half their £150m. investments in Western European manufacturing industry as a whole.

But it has not been enough, and the signs are that over the next ten years it will continue not to be enough to solve Ireland's very serious unemployment problems. The present joblessness rate, at over 12 per cent. is the EEC's highest and is markedly higher than even depressed Ulster's. And it threatens to get much worse. The Henley Centre points to a job creation level of 30,000 a year until 1981, which would mean a 15½ per cent. annual GNP growth if that degree of unemployment is to be eliminated. The Irish Government's Green Paper of last September on economic strategy set a more modest target of 50,000 new jobs in the 1976-80 period. Even then, Industry Minister Mr. Justin Keating commented: "It demands a much better performance from manufacturing industry than has been achieved in any period of our history."

In 1976 the IDA did well. It approved 500 schemes, worth £120m. That could lead to 18,000 new jobs. But because of modernisations aimed at transforming Ireland's less progressive industries, and because also of closures resulting from the recession, job losses all but erode the IDA's good work. In 1975 they stood at a disastrous 28,600, although last year that figure was cut by two-thirds to make 1976 the first in recent years when job creations, which reached 10,000, managed to outweigh jobs lost.

In terms of net jobs created, therefore, Ireland is clearly only just holding its own, which in view of the number of young people who will be coming on to the labour market in the next decade, thanks to a continuing high birthrate and little or no emigration, points to a dangerous jobs crisis in the offing. In attempting to cope with the situation, Ireland must perform the tricky balancing act of raising productivity while expanding its labour-intensive industries as quickly as possible.

Thrust

The thrust of IDA policy has been to attract capital-intensive transformation industry that is export-orientated. As a result, Irish exports now represent 40 per cent. of GNP, having risen 28 per cent. in value last year to £1.857m. The European average is for exports to represent 24 per cent. of GNP. One job in two in Irish industry relies on exports, for 50 per cent. of goods manufactured in the Republic are for overseas markets.

Yet Ireland's foreign trading position is far from healthy. Last year the balance of payments deficit was 11 times greater than the 1975 figure of £15m., and according to the EEC Commission deteriorating terms of trade could push the deficit to £250m. in 1977.

Productivity in Ireland is low. Output per worker is about four fifths of even the U.K. level. But to ensure that unemployment does not mushroom—and Dublin has already had an unpleasant taste of what that can mean ... total rising 60 ... last two year... efficient and pr... intensive indust... nificed for proje... work.

At present, ... Ireland should ... an academic ... next ten year... must create hal... jobs than the... exist at presen... has been estim... facturing ind... invest around ... prices) yearly ... period, while ... investment to ... that.

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Farmers taxing the politicians

FARM TAXATION will probably be one of the main issues in the forthcoming general election unless the Irish Government agrees to change the method of taxing farmers.

Only 9,000 of the country's 180,000 farmers paid any tax at all until the 1977 Budget last January. Responding to urgent urban demands and the promptings of the Irish Congress of Trade Unions, the Government drew another 10,000 full-time and part-time farmers into the tax net to increase the overall tax yield to £35m. Since farmers' tax was introduced in 1974, the total yield up to January last had been a mere £6m.

Softening the blow with a 7p increase on a gallon of liquid milk, Finance Minister Richie Ryan reduced the valuation threshold from £100 to £75. The notional income figure of £40 per pound of land valuation, used as a basis for assessing farm incomes, was also increased to £65. Predictably, the farmers reacted angrily to the changes but when the dust had settled they admitted satisfaction that they still had the right to choose one of two methods by which they would be assessed for tax.

They can opt to be taxed on the basis of farm accounts, a system which can be advantageous if the farmer has had a bad year. But if he has had a good year, he will probably opt for assessment on the notional basis. Under this system his income is computed as 65 times the rateable valuation of his land less deductions for rates, wages and depreciation of plant and machinery.

The Budget struck too at professional people, who have land and at farmers whose spouses work at other jobs. They are to be fully taxed from next month. In the past it was customary for many of these people to evade some if not all of their personal taxation liability by claiming that part of their salaries went on subsidising farms. A considerable number of professional and business people bought up large tracts of land in recent years in the knowledge that these enterprises would not be subject to tax.

Changes

Despite the radical changes made in the Budget, good farming land continues to rise sharply in price and is selling at up to £2,000 an acre in the choicest areas. Indeed, with the market so strong for agricultural land, largely because of the intervention of speculators, the Minister for Agriculture, Mark Clinton, has responded by hinting that he may introduce a 200-acre limit on the amount of land any individual can acquire.

The new farming taxation coming into effect on April 6 next has had at least one surprising effect. It has forced two arch-rivals — the organisation representing specialist dairy farmers and a second organisation which caters for the general farmer — to come together to adopt a common policy. After many years of struggling with each other for supremacy, it has taken hard cash to convince both organisations that they are fighting the same cause.

The farmers have now submitted alternative taxation proposals to the Government but because of budgetary and other problems, the Cabinet is unlikely to make any major concessions. However, there are other considerations which may lead to a dilution of the tax proposals. The senior partner in the coalition government, Fine Gael, traditionally draws much of its support from the big farmers and with a General Election pending it will be anxious to avoid a confrontation. Accordingly, the Government is expected to drop its demands that 6,500 farmers should pay tax in advance of their earnings next September and that the 9,000 farmers already paying tax should become liable to double taxation this year.

Should the Government make any substantial concessions such as allowing farmers export tax reliefs in line with the manufacturing industries it would almost certainly lead to serious disaffection among trade unionists and urban taxpayers. The unions made an adequate taxation code for farmers one of their conditions for accepting a national wage agreement. A reversal of Government policy would serve to undermine that agreement, which is already threatened by recent price increases.

Despite the preoccupation with taxation, farm incomes rose last year by £55m. to £538m. This was thanks mainly to higher farm prices (the agricultural price index rose by 40 per cent. in 1976) rather than an increase in total output. In fact the volume of farm outputs dropped by 10 per cent., a trend which is certain to be reversed in 1977.

The main expansion is expected in tillage. With livestock numbers substantially lower than they were three years ago—the beef herd alone was down by 5.4 per cent. in 1976—farmers have the freedom to expand the acreage of cereals without affecting their resources to maintain the livestock population.

Just as beef cattle numbers dropped in 1976, so also did sheep. The decline was of the order of 2.4 per cent., illustrating the lack of confidence in the trade caused by the difficulties in gaining access to the Continental markets, and particularly the lucrative French market.

The most significant growth in 1976 was again in dairying. Milk production increased by 8 per cent. and with dairy cow numbers up by 4.1 per cent. at the end of the year, the growth pattern is certain to be maintained.

About half of the country's farmers are involved in dairying for the simple reason that it provides the best return per acre. The long-growing season for grass reduces the need to use expensive food concentrates and enables Irish farmers to produce the cheapest milk in Europe. Farmers are now producing 17 times more milk in the summer months than during the winter; in West Germany the output is only 50 per cent. greater in summer than in winter.

Exports of dairy products have grown steadily in recent years and were worth £301m. in 1976. The home market brought in another £130m. to the producers.

Proposal

The recent proposal by the EEC Commission to introduce a levy on dairy products to cover the cost of their disposal is not expected to force dairy farmers out of milk. They have invested heavily in dairying and in the sure knowledge that they can produce cheaper milk than any other European country they intend sticking with it.

Though Ireland produces enough food not only to feed its own 3m. population but also to allow exports to feed another 4m. people abroad, it still has the capacity to increase production of meat, dairy products and other high quality foods substantially. The reason it has failed to maximise production is that much of the land remains grossly under-utilised, locked in the hands of aged owners who have long lost any motivation or incentive to exploit its potential. But their votes, in an electoral system where a marginal swing could mean a change of government, assures them of their tight grip on the country's primary resource regardless of the national interest or the failure of agriculture to generate adequate economic development for the country as a whole.

Jack Fagan

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Unemployment remains at a high level

l Finance Minister, Ryan, presenting his ianuary, felt able to aat the recession is m election year, al- ould be regarded able bit of political there is no doubt erformance of the my over the past en better than any- ight to expect.

covery from the 1974-75 has been entirely to the of Irish manufac- stry. As a result, in national output is estimated to be cent. At the begin- e year the most orecasts were those n the Government hey expected little a growth rate of t. All the others, e and abroad, were tistic, which led to m from Mr. Ryan cials have a better than anyone else. lear that much of is due to the per- the export indus- was all the more ecause in agricul- remains Ireland's le industry) there per cent. fall in mainly to heavy attle in 1975. Des- exports increased bout 6 per cent., manufacturing in- sed its exports by in volume and in value.

lt, Ireland would ve increased her rld trade during s the direct oppo- happened during year. One impli- be that successive ments' policy of modern, export- ndustry has been There are, how- s in such a policy. ich benefit from oncessions, now o less than 40 per industrial output, ountry particularly world conditions. se conditions were favourable. The y in world trade, the fall in the y (which is, of sterling) enabled s to take a greater advantage of the So far the Irish weilded the two- of the sterling too many self- nds. As well as age of increased s in foreign have continued educing the share of their total trade going to Britain — down from 54 per cent. to 48 per cent. by mid-year — although Britain is still far and away the biggest single trading partner.

The sterling link also means however, that Ireland has no choice but to import the bulk of British inflation. This would be a serious disadvantage if there were signs that, left to its own devices, Ireland would have the stomach for a successful counter-inflation policy of its own. There are no such signs, however, and, in the circumstances, recent rates of inflation, running three to four points higher than Britain's, may even be better than the Irish deserved.

Hopes have been expressed that, this year, Irish inflation might fall below that in Britain. These hopes, such as they are, rest mainly on the proposed national wage agreement. Industry, through the employers' associations and the Confederation of Irish Industry, can take much of the credit for their being any wage agreement at all, following the debacle in 1976 when the unions rejected a draft agreement presented to them by their negotiators.

The Government appeared stuck in the saddle and the employers acted themselves with an offer of an interim agreement. This was sufficiently generous—albeit inflationary—to buy time for discussions involving employers, unions and Government on an overall package. Negotiations were difficult but a package was put together. Mr. Ryan delivered the Government's part in his Budget, with direct tax reliefs of £50m. and a further £50m. for job-creating measures.

The unions, for their part, ratified the deal which, though generous by comparison with British pay policy, is still a good deal more moderate than those signed in recent years. An incomes policy is of most importance to those, mostly long-established, industries which supply the domestic market and are therefore most vulnerable to competition from British imports. There is no disputing that unit wage costs have been rising faster in Ireland, with a consequent loss in competitiveness over the past few years.

An example is the clothing industry where the cost of manufacture in many firms is already higher than in Britain. The new wage settlement is likely to further reduce competitiveness. The industry did manage to increase its exports but, overall, employment remained static, with capacity under-utilised and excessive stocks being built in. Any further increase in imports could lead to large-scale rundowns.

Against this fairly stagnant picture from one industry must be set the estimated increase in gross domestic fixed capital formation of 3 per cent. in volume terms, most of which emerged during the second half of last year. Machinery and equipment formed the major element in the increase. If these encouraging trends are to be built upon during the next 12 months it will be necessary for Irish industry to increase its productivity, not least to offset the loss incompetitiveness due to another generous wage deal.

Mr. Ryan will be hoping that his broad tax cuts will help this process by providing incentives for both workers and businessmen, the alleged lack of which has been as much a cause of complaint in Ireland as in Britain. Everyone recognises that the dominant factor will again be world conditions. The outlook for 1977 may not be as favourable as 1976 but Ireland is starting with some advantages she did not have 18 months ago.

The trends in industry are upwards; the currency, having increased competitiveness, seems reasonably stable—although that is outside Irish control; and wage rises, though large, will be smaller than those Irish industry has had to bear in the past few years.

If these factors can be built upon by increased productivity and a policy which will keep inflation at least on a par with that in Britain, there seems every prospect of further recovery, mainly export-led, during the coming year. That could be important because the longer-term projections towards the end of the decade suggest further difficulties. The more opportunities Irish industry seizes while times are reasonably favourable, the better the economy's chances of surviving another downturn without serious damage.

Optimistic

Despite all this, what might be called the fundamental Irish problem of creating reasonably full employment, now that emigration has virtually ceased and the population is rising, seems as intractable as ever.

Even the most optimistic estimates suggests that to get unemployment significantly below its present 12.1 per cent. would require the creation of 13,000 new jobs a year every year for some time to come. Other estimates put the job creation target at 30,000 a year. Such a task is patently beyond the resources of Irish industry in its present stage of development, nor is any expansion of world economic activity on the necessary scale foreseeable.

In a way, this long-term, structural problem puts a question mark against the whole value of short-term analyses of the performance of Irish industry. But it will be the mid-1980s before its full implications, economic, social and political, make themselves felt.

By a Correspondent

Disappointments in oil exploration

HAD THE Irish Government found oil, gas or minerals during the past year with the same ease as it found political trouble over natural resources, its Ministers would be a very happy group of men indeed.

Alas, that was not the case and, although natural resources dominated the headlines in one way or another for much of the past year, practical achievements were harder to find. Oil is still the country's biggest hope but no one has yet made a practical find. This was particularly disappointing last season which saw the biggest concentration of drilling since companies first took an interest in Irish offshore waters.

Most disappointing, perhaps, was what seemed a final admission by Esso Marathon that there were no commercial reserves of oil in the field they had been exploring off the south coast.

Disappointing, because this was the first, and therefore most intensively explored, field in Irish waters. And, although it might have been asking too much to expect a find in the first block that was thoroughly drilled, it was a dampening end to a season which began with high hopes.

Attitude

That is not to say that the possibility of significant finds can yet be ruled out and the official attitude remains one of quiet optimism. This is based not only on the reports of the geologists but also on the fact that the exploration companies remain as interested as ever in acquiring licences.

At the time of writing details have not yet emerged of just how many companies will want to drill where, because they tend to hold their applications to the last moment. But it is known that Shell/Deminex, Ranger and City Services will all drill this season. The area which Shell and its partners will explore is the Porcupine trough off the west coast and this is an area where some results could be expected. On current form it may be that any finds made will in fact be off the west coast, with its attendant problems of deep water and bad weather, rather than the more favourable east coast or Celtic Sea.

Even allowing for that, it remains true that any commercial find of oil would revolutionise the prospects for the Irish economy. In this sense, Ireland's position is more akin to that of Norway (or an independent Scotland) than that of the U.K. Indeed, a major oil find still looks the only way of saving Ireland from either an eventual return to high emigration levels or serious structural unemployment.

The one commercial hydrocarbon find to date is the small gas field off Kinsale on the south-west coast. Work is proceeding, apparently on target, to bring the first gas ashore by early next year.

Contracts have already been awarded for making the pipeline sections (they will be made by British Steel), transporting them to Kinsale and for the land and under-water laying work. The field will make a useful saving on the Irish balance of payments but is small by North Sea standards.

The oil story which attracted most attention in the Irish Press was the dispute between Britain and Ireland over territorial rights in the area around Rockall. This came to a head when the British Government offered BP two blocks in the disputed area, despite an Irish request that the argument should go to arbitration.

Judging from maps published in Britain it seems clear the British claim is based on ownership of Rockall itself. The Irish position is that a lump of uninhabitable rock cannot generate its own 200-mile economic zone and that the lines must be drawn from the respective coastlines.

Even that approach could cause difficulty and the Irish have welcomed the recent British decision to go to arbitration, even though it is rumoured that their decision had more to do with the need to improve general Anglo-Irish relations than any change of heart on the Rockall issue. In any case the area is one of extremely deep water and dreadful weather. This has not stopped the oil companies showing keen interest in it, however, and the outcome of arbitration could be important. Again, where land-based minerals are concerned, more time has been spent in Parliament digging out unsavoury nuggets about rival politicians than in advancing the exploitation of Irish deposits.

The ins and outs of the agreement between the Bula mine company—which owns some of the lead and zinc deposits at Navan—and the Government have dominated public and parliamentary attention to an inordinate degree. The Navan ore body represents Ireland's biggest proven reserves of minerals with enough ore to provide substantial extraction for the next 25 years. But it is owned by two companies, Bula and Tara, on either side of the River Blackwater.

The Government has long since come to terms with Tara but Bula has proved more difficult. An early attempt to take the mine into public ownership failed when the courts ruled that the private owners of the land had a right to the ore, leaving the Government no option but to come to terms with them.

The terms were that the Government would get 25 per cent. of Bula's shares free and purchase another 25 per cent. at a price to be decided by arbitration. It is this price which has caused all the trouble.

Agreement

The arbitrators valued the holding at £9.7m. and, under the terms of the agreement the Government is obliged to abide by that. The storm broke when it emerged that the Government's own valuers, the London firm of Lazard's, valued the entire mine at only £7m.

Things worsened when it became clear that Parliament would not be allowed to know the terms of the agreement, in the interests of confidentiality, and that the Government's shareholding would not give it actual control of the company. There were some unpleasant exchanges, with the Minister, Mr. Keating, revealing that the Opposition spokesman had bought shares in Tara when he was a Minister and the Opposition claiming that Mr. Keating had once been under surveillance because of Communist activities.

On the commercial side, in fairness to Mr. Keating, it is probably true that he had to make the best bargain he could get. In any case, if Lazard's valuation is correct it throws doubt on the whole question of the contribution the Bula mine could make to the economy.

Mr. Keating's political skill may have deserted him for once but in the long term the Government hopes to avoid such embarrassments by bringing in a Bill taking all mineral deposits into public ownership. Drafting such a Bill will not be easy because of the protection of private property enshrined in the Irish constitution.

Any survey on Irish natural resources to-day would be incomplete without some mention of fisheries. The most consistent headline-catcher of the past year in Ireland has not been oil, or Bula, or even the security situation, but the fight to secure an exclusive 50-mile fishing limit. This illustrates a considerable change in public attitude since 1972 when Ireland joined the EEC and, like Britain, agreed to adopt an EEC policy which would, by the 1980s, have allowed EEC boats access to all Irish waters.

Perhaps because of the Icelandic action, or the general growing awareness of the importance of natural resources, fishery limits have become a big political issue. The fishermen's demands have support across a wide section of public opinion, even from people who have not eaten fish since the Catholic Church abolished meatless Fridays.

An expanded Irish fishing industry could make a significant contribution to the economy, particularly in the west where alternative sources of employment are hard to find. But the opposition of other EEC countries is so strong that a 50 mile limit still seems something of a long shot.

Ireland does hold some cards in Brussels, including the threat of unilateral conservation measures and a veto on agreements with non-EEC countries. These may yet force the EEC to come up with proposals which, even if they do not include the 50 miles, would offer protection to the genuinely threatened fish stocks and give the fishing industry a real prospect of expansion.

By a Correspondent

Troubled times for tourism

A HOLIDAY in Co. Kerry in 1969, if not my most comfortable, was definitely the most memorable. It had all the elements of what the Irish Tourist Board, Bord Failte, refer to as "the product." In other words, the dazzling beauty of the countryside with its tangled hedges of fuschia and honeysuckle, and windswept white beaches, the relaxed welcome of naturally hospitable people, and the gentle pace of life on horseback when there is a select bar with well-drawn stout around nearly every bend in the road.

On the other hand, beneath the romance, the guest house food was monotonous, oily fry at breakfast and high tea, the horse deal totally unprofessional—and no one even checked to see if we knew which end was which and the saddles and bridles were tied up with string. But since then, things have changed.

For since 1969, the Irish tourist industry has been facing a severe challenge. In this period, the number of visitors from Britain, its biggest market, has dropped from a 1969 peak of 1m. to 785,000 in 1976. In the same period, the industry has been kept on its toes by the challenge. It has become much more self-aware and more professional. Last year's National Plan published by Bord Failte specified that while preservation of Ireland's natural resources was a top priority for expanding the tourist industry, this was not enough in itself. Of equal importance was the improvement of amenities, service and standards of hygiene. The message, however, had been percolating through the hotels, farmhouses and riding schools for several years to good effect.

Important

Tourism is Ireland's third largest industry, employing over 10 per cent. of the labour force and contributing approximately 4 per cent. of GNP. However, the industry is particularly important as a source of foreign exchange — the target for 1977 is £219m., a growth of 21 per cent. — and as a source of jobs in the less developed regions.

The seven year decline in the major market of tourism has therefore had far-reaching effects. Bord Failte calculates that the holiday industry has lost £100m. because of the off-putting effects of the escalation of violence in the North and a fresh marketing offensive is being launched this year in an attempt to reverse the trend. The idea is to convince the holidaymaker that he will still find a welcome in Kerry, or Connemara, whatever the hostility in Armagh or County Down.

Message

To put this message across, 100 representatives of the Irish tourist industry will shortly be making a two-week tour of the U.K., calling at clubs, travel agents and business houses to extend a personal invitation to British visitors. This will be followed by an incentive scheme for travel agents who will be invited to compete for a yet undisclosed prize as they increase their sales of Irish holidays. As a further incentive, both Sealink and B and I Ferries have announced fare reductions which make getting to Ireland more competitive with the routes to the Continent.

Although Ireland lives up to the beauty of Bord Failte posters, and the welcome is as warm as ever, it also has the mistaken image of being cheap. The image projected by the advertising and brochures, with humble cottages, donkeys and green pastures seems also to imply a low cost of living. True, perhaps for the French or Germans whose own boating or riding holidays are twice as expensive, but not for the British who used to think of a trip to Ireland in the same casual way as popping into a neighbour's house for the afternoon.

The problem for Bord Failte is that the British arrive in largest numbers but spend the least. The bulk are those with Irish relatives or friends. They avoid hotels and long trips in the car and spend half as much as Continentals and a third as much as Americans. It is those from outside Britain who are most put off by the high cost of getting to Ireland—with no duty-free arrangements to soften the blow—petrol at just under £1 a gallon and beer at up to 50p a pint.

Nevertheless, by sheer weight of numbers the British remain Ireland's most important tourist market and this year's marketing effort aims for an increase in tourist numbers of 2 to 4 per cent. and a 15 per cent. increase in revenue. North America is Ireland's number two source of tourist revenue. This year the marketing targets are for an increase in revenue of 22 per cent. to £52.4m. (compared to £55m. from Britain) and a 6 per cent. increase in numbers. In attracting new American visitors Bord Failte will concentrate not so much on ethnic links with the old country but on wooing new tour operators with special interest holidays such as fishing and golfing.

Pamela Readhead

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Bank denies special lead market investigation

BY JOHN EDWARDS, COMMODITIES EDITOR

THE BANK of England categorically denied last night a report that it was holding a special investigation into the lead market on the London Metal Exchange.

But values on the lead market fell sharply in late trading after moving up earlier in the day. Although three months lead closed £5 up at £437.75 after having traded at £440 it fell to £429 in late kerb trading before recovering slightly.

Prices of other metals were also hit, and the cocoa market was affected.

Lead values had already fallen on Wednesday on rumours of a Bank of England investigation, apparently based on the fact that LME officials were asked to hold consultations with the Bank following complaints last month by Mr. John Ray, the chairman of the British Battery Manufacturers' Society, that speculative buying had artificially boosted lead prices.

But a Bank of England spokesman yesterday echoed the view taken last month that the rise in lead prices appeared to be based on fundamental supply-demand considerations, rather than excessive speculative activity. He confirmed, however, that the Bank was continuing its normal policy of closely monitoring commodity market trading through detailed reports and consultations.

The monthly reports submitted to the Bank should reveal whether an excessive speculative build up has occurred, in which case no doubt some action would be required.

It is generally believed that the basic price rise is genuinely based on supply-demand factors, despite fluctuations as a result of speculative activity. Commodity traders are becoming increasingly concerned, however, that the continuous rumours of possible Bank of England interference are themselves helping to destabilise prices, discouraging trade participation and harming London's role in international commodity trading.

It was considered to be particularly ironic that the latest disruption should have come when the latest Bank of England bulletin estimated that the commodity market contribution to invisible export earnings rose to more than £200m. in 1975-76.

There was a firm undertone in the metal markets yesterday, encouraged by reports of improved industrial activity in the U.S. Copper, in particular, moved ahead firmly. Cash wirebars closed £11.75 at £898 a tonne, despite a setback following the lead investigation report.

Meanwhile an estimate that stabilising world copper prices would require an international buffer stock, or a combination of national stockpiles totalling up to 2.5m. tonnes and costing more than $4bn. to support a floor price of 75 cents a pound was made in a special study Research Unit.

The study was commissioned by three U.S. departments to investigate the feasibility of nationally held, but internationally co-ordinated, stock piles as a means of commodity price stabilisation.

The study does not represent U.S. Government policy opinion. But it does provide the basis for discussion of an alternative to the Unctad integrated commodities proposal of a multi buffer stock and suggests the cost of a copper buffer stock alone might be considerably more than the Unctad estimate that holdings would need to total only 500,000-800,000 tonnes to stabilise the market.

MPs back U.K. fishing stance

FINANCIAL TIMES REPORTER

U.K. NEGOTIATING policy on the EEC Common Fisheries Policy was applauded yesterday in an interim report by the House of Commons Expenditure Committee sub-committee on the U.K. fishing industry.

But the Government must remain ready to take further unilateral action to protect British interest, the sub-committee said.

The report said that, in the long term, effective conservation of fish stocks in the seas in the U.K's new 200-mile limit could be exercised on a Community basis. But conservation could be performed most effectively if the Community agreed to the widest possible exclusive national zones.

The sub-committee has given particular attention to the enforcement of the U.K. limit imposed on January 1. It was impressed by the skill and energy of the Royal Navy and Royal Air Force personnel engaged in fishery protection work, but recognised that the available resources were being "very thinly stretched over a vast area of sea."

The report makes special mention of the value of the Nimrod aircraft patrols which came into use at the beginning of the year. But it said the effectiveness of these patrols would be greatly enhanced if magistrates would accept aerial photographic evidence of limit breaches.

The sub-committee members thought such a development would be encouraged if magistrates and sheriffs in U.K. ports were given the opportunity to see for themselves the "sophistication and precision" of the navigational equipment carried by the Nimrods.

They felt, however, that the work might be carried out more cheaply by a less sophisticated aircraft. One member suggested at a Press conference yesterday that the Hawker Siddeley 748, with its six-man crew (the Nimrod uses 12) was a possible alternative.

The need for continued sea-going protection services was stressed in the report, though doubts were expressed about the political wisdom of using the armed forces for this function.

Boarding of vessels would continue to be necessary in cases where the offence lay in the use of illegally small-meshed nets or the catching of banned species, Dr. Edmund Marshal, the sub-committee's chairman, said yesterday.

Both sea-going and airborne services might be significantly improved by better liaison with working fishing vessels, the report said.

Members were particularly surprised to find that the Nimrods were not equipped with civil-band VHF radio, and so were unable to establish radio communication with trawlers. Direct radio communication would be valuable in gathering information, warning near-offenders, or clarifying doubtful situations.

The sub-committee was in favour of a licensing approach to the limitation of fishing. "In our view catch quotas are completely discredited as the sole means of husbanding fish resources. Only a licensing system which will limit effort can protect sadly depleted stocks against a highly competitive European industry."

Dr. Marshall said the licensing system gave holders a vested interest in seeing that the rules were obeyed.

The interim report was based on evidence from 67 witnesses at 14 meetings since the inquiry started last October. Written and oral evidence will be taken in the next six months. The sub-committee also plans to visit a number of British ports.

Cocoa and coffee up again

By Our Commodities Staff

WEDNESDAY'S LOSSES on the London cocoa and coffee terminal markets were shrugged-off yesterday in the face of a new wave of buying. May cocoa closed £105 higher on the day at £2,679 a tonne, the highest level since March 8. May coffee regained the previous day's £89.75 fall to go back to £4,107.5 a tonne.

The rise in cocoa was seen as a follow through from overnight strength in New York and further indications that last week's move against large speculators had had little effect on the net open position. Rumours of a Bank of England investigation of the lead market brought a set-back during the afternoon, but prices quickly recovered.

Coffee values had been expected to open lower following a marginally lower close in New York's spot March position but reports of European physical business boosted prices.

News of another U.S. retail coffee price rise may have helped market sentiment. The General Foods Corporation said its Maxwell House division had increased ground coffee prices 50 cents a pound, a similar increase to that announced by Folger Coffee on Monday.

In Rio de Janeiro U.S. Congressman Mr. Fred Richmond said he wanted to convince the Brazilian authorities that they could lose a generation of American coffee drinkers if they did not reduce prices. The big U.S. coffee drinkers are over 50. The younger generation was more interested in *soft drinks, he warned.*

U.S. willing to join world trade pacts

WASHINGTON, March 17.

MR FRED BERGSTEN, the U.S. Assistant Treasury Secretary, said the U.S. was willing to consider membership of international commodity agreements which would serve to help stabilise prices for both primary commodity exporting countries and the major importing nations reports AP-Dow Jones.

But the U.S. would not consider joining international commodity arrangements designed primarily to transfer resources from the richer nations to the poorer ones.

Mr. Bergsten said he had called a Press conference to discuss the agreement reached in Vienna on Tuesday on a $7.6bn. refinancing for IDA through contributions from the U.S. and 25 other countries.

FRENCH AGRICULTURE

Poised for explosive expansion

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

EARLY THIS month I spent a few days in Normandy and Brittany. What I saw convinces me more than ever that French agricultural production is almost certain to expand with explosive force in the next few years, and that French farmers are equipped to market this increased production in one way or other.

Once I was 50 miles south of Havre on my way to Finisterre, the dairy herds were already out in the fields strip grazing quite good stands of ryegrass which had obviously been top dressed with nitrogen.

I think I would have been safe in saying that nowhere in the British Isles except perhaps in South Cornwall would the cows have been on grass at that date. The significance of this is that the French farmers do not have to feed concentrates to anything like the same extent as British farmers. Their cows in many cases had been grazing fodder crops or grass for most of the winter.

Herds

Nor is this an isolated area stretching about 300 miles east of Finnisterre to Tours and about 150 miles from north to south, roughly the size of Southern England, and in many parts the irrigation available means that is it even better for grass growing.

Of course, the herds are small by our standards, about 15-20 cows, but about half of them were Friesians as against perhaps 5 per cent. 10 years ago. By the number of young Friesian heifers which could be seen this proportion is bound to increase.

An important point is that most of the cattle were being milked by the farmer and his wife—there is practically no employed labour on French farms of this sort. But the farms are big enough to carry more cows and, owing to the moist climate, there are no suitable alternative farming systems.

This makes for a competitive advantage which British dairy farmers should take account of in case competition becomes paramount in the Common Market. It is too easy to say that French farmers are of no account because the herds are small, methods rather old-fashioned and the cows odd mixtures being milked in third- and fourth-rate buildings.

Milk prices are marginally better in this part of France, rents are effectively controlled and taxation and estate duties negligible by British standards.

In Brittany I revisited the famous vegetable co-operative at St. Pol de Leon. With other co-operatives in the area it controls the sale of all major produce through a system of clock auctions on the Dutch model. It has extended the principle to pigs.

A subsidiary co-operative is running four auctions a week at which about 40,000 pigs weekly are being sold on a system of dead weight and in some cases grade. The pigs are sold while still on the farm. The buyers do not see them until they are delivered to lorries. The organisers claim to be selling 40 per cent. of all the pigs produced in Brittany.

The co-operative movement is widespread in France, assisted by considerable government money and tax concessions. Co-operatives dominate most of the trade in farm products and united have formidable power.

My final visit was to the farm of an old friend in Normandy, a little to the West of Evreux, on the eastern fringes of the humid livestock area.

When I met him first in 1960 he had a traditional farm of about 300 acres which was mixed to the point of confusion. It was badly fragmented, employed six men, himself and his son and had a dairy, beef cattle, sheep, pigs and a variety of crops. He has now retired and his son is in charge. Things are greatly changed.

The farm was reorganised with others in the parish so that it is in one big arable field of 250 acres. The 50 acres lost has gone to a daughter who married a neighbour. His eldest son has the farm now, but only owns about 100 acres with the house and buildings and rents the balance from his brother and other sisters at controlled rents, a very common practice.

Machinery

He employs no labour, but works his 250 acres with the help of two neighbours who have another 250 acres of arable between them. This is not a farming partnership in any sense but a working arrangement.

Each provides some of the machinery and does some of the work. The big combine harvester belongs to the group, the drier to my friend. The arable farming is of a high order, growing wheat, sugar beet and oilseed rape.

The point here is that if each farmer had stuck to his original acreage he could never have afforded the large and sophisticated machinery they share and the help they can give each other at busy times. Also by renting from his family the farm has been kept to a viable size. This I was told was in no way an exceptional case, but an example of how French farmers are overcoming their problems.

Fresh call for strong farm export body

BY PETER BULLEN

ON THE eve of the meeting to decide the future of the British Agricultural Export Council—another independent Government report was published yesterday pointing to the need for a really strong central body to promote Britain's farm exports.

The report was by the Ministry of Agriculture's Advisory Council for Agriculture and Horticulture. The council told the Government in May last year that the U.K.'s agricultural exports of about £1½bn. a year could be expanded even further if there was a strong central body to build on the foundations laid by the BAEC.

Subsequently the industry has failed to promise sufficient financial support to provide for a bigger organisation, however. To-day BAEC is holding a special meeting to consider its future.

Yesterday, in the first of three follow-up reports on special sections of the industry, the council said the U.K. had to some degree been caught unprepared by the recent surge in demand for livestock.

"As a result we are poorly organised nationally to realise our full potential. The increase in world demand has encouraged a number of companies and organisations to enter the export market, some of whom have not been sufficiently experienced to deal with its complexities and as a consequence our national reputation has not been enhanced."

COMMODITY MARKET REPORTS AND PRICES

METALS

TIN—Higher. Initially prices gained ground following the steadiness of the Penang market. Forward standard metal rose to £6,480 on the pre-market but the price then turned easier owing to profit-taking. Values eased further in the afternoon following profit-taking, hedge selling and stop-loss selling which took the price to £429. It later recovered a shade in late kerb trading to end at £431. Turnover 13,975 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	429-30	+6	430-1	+9
3 months	438.5-9	+5.75	437.5-8	+5
Settlem't	430	+6		

COFFEE

After a steady opening London futures continued the advance in restrained dealings, reports Drexel Burnham. Following initial trade selling in the early afternoon against the New York "C" Contract the higher levels were quickly restored as dealer and Commission House buying pushed prices to the highs of the day.

April parcels of milling wheat sold to London at £91 a tonne and similar deliveries of denaturable quality to Sussex £90 a tonne. Milling wheat was taken by Liverpool at £94.50 for April-June. Average sellers quotations for delivery London area: Wheat, milling: April £91. Denaturable April £90. Barley, feed April £85.

HGCA—Location ex-farm spot prices. Other milling wheat—Lincolnshire £87.30.

35.0, 100-120 lbs. 28.0 to 34.0, 120-160 lbs. 28.0 to 33.0.

MEAT COMMISSION—Prices at representative markets on March 17. GB—Cattle 58.54p a kg lw (−0.45); GB—Sheep 150.1p a kg est dcw (−0.3); GB—Pigs 50.6p a kg lw (+1.1). England and Wales—Cattle up 10.0 per cent., average price 56.79p (−0.38); Sheep down 8.9 per cent., average price 152.0p (+0.7); Pigs down 1.3 per cent., average price 50.6p (+1.1).

COTTON

COTTON—Liverpool: Spot and shipment sales amounted to 398 tonnes, bringing the total for the week so far to 1,239 tonnes. A further substantial undercurrent of inquiry kept business on a freer scale, reports F. W. Tattersall. Purchases were mainly in African and Middle Eastern qualities with support in the S. American range.

*

GRIMSBY FISH—Supply fair and demand good. Prices a stone at ship's side unprocessed: Shelf cod £3.80-£4.40, codlings £3.00-£3.50; large haddock £3.50-£4.20, medium haddock £3.50-£4.00, small haddock £2.80-£3.30; medium plaice £2.80-£3.00, best small plaice £2.50-£3.10; skinned dogfish (medium) £6.60; rockfish £2.50-£3.00; reds £1.85; saithe £1.70-£2.30.

BIG ARGENTINE WHEAT CROP

By Our Own Correspondent

BUENOS AIRES, March 17.

ALTHOUGH BAD weather has brought the second official estimate of Argentina's 1976/1977 wheat harvest to ½m. tons below the first estimate, it is still expected to be the second biggest wheat harvest since 1966/1967.

The Rural Economical and Sociological Service now estimates that the current wheat crop will be 11.2m. tons.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Mar. 17 1977	+ or —	Month ago
Metals			
Aluminium	£680		£630
Free Market (cif)	$1,080-01		$956-970
Clovea (Madagascar)	25,900		25000
Pepper White ...ton	$3,025	+135	$2,685
Black ...ton	$2,700	+100	$2,325

*Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. *a* Seller's quotation. *b* U.K. and Commonwealth refined. *c* Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. *d* Bangladesh white "C." *h* June-July. *f* July. *j* April-June. *k* March-April. *l* May. *m* April. *o* April-May. *s* May-June. *u* Metric tons.

FINANCIAL TIMES

Mar. 17	Mar. 16	Month ago	Year ago
289.00	287.01	272.02	191.03

(Base: July 1, 1952=100)

REUTER'S

Mar. 17	Mar. 16	Month ago	Year ago
1748.5	1742.7	1637.4	1291.9

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Mar. 17	Mar. 16	Month ago	Year ago
Spot	444.65	441.92	396.14	313.48
Futures	433.71	429.83	394.51	304.06

(Average 1924-25-26=100)

MOODY'S

Moody's	Mar. 17	Mar. 16	Month ago	Year ago
Sple Commt'y	971.0	967.2	907.4	782.5

(December 31, 1931=100)

*

COPRA. Philippines—April and May and June $550 resellers a tonne cif North European ports.

U.S. Markets

Housing boost to copper

NEW YORK, March 17.

COPPER finished steady with local and Commission House buying on large housing start reports and rumours of new fighting in Zaire. Gold closed firm on trade buying. Soyabean complex initially opened strong and moved higher on oil demand then slipped to close mixed on commercial selling. Coffee and cocoa again closed limit bid, Bache comments.

Cocoa—Ghana spot 219½ nom. (312½). Bahia spot 219½ nom. March 201.50 (194.40), May 199.50 (193.50), July 194.20, Sept. 191.00, Dec. 179.50, March 182.75, May 167.50, July 163.10. Sales: 1,332 lots.

Coffee—"C" Contract: March 306.50 (302.89), May 306.01 bid (302.01), July 306.66 bid, Sept. 303.50 bid, Dec. 305.28 bid, March 302.00 bid. Sales: 887 lots.

Copper—March 71.20 (70.20), April 71.40 (70.50), May 71.80, July 72.80, Sept. 73.70, Dec. 74.80, Jan. 75.20, March 76.00. Sales: 3,846 lots.

Cotton—No. 2: May 79.80-79.90 (80.41), July 79.65-79.75 (80.24), Oct. 75.40-76.00, Dec. 70.55-70.85, March 71.10-71.20, May 71.30-71.70, July 71.50-71.70. Sales: 2,850 lots.

§Gold—March 149.70 (148.40), April 150.20 (149.10), May 151.00, June 151.80, Aug. 153.40, Oct. 155.00, Dec. 156.70, Feb. 158.40, April 160.10, June 161.90. Sales: 3,731 lots.

†Lard—Chicago loose n.a. New York prime steam 34.00 bid (22.25).

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STOCK EXCHANGE REPORT

Gilt-edged close at best with further gains to £1¾

Equities good with index 5.8 up at 433.8—Numerous features

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 28	Mar. 10	Mar. 11	Mar. 22
Mar. 14	Mar. 24	Mar. 25	Apr. 5
Mar. 28	Apr. 6	Apr. 7	Apr. 20

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The recent sharp stock market rise was taken a useful stage further yesterday, again under the lead of Gilt-edged which ended at the day's best with widespread gains to £1¾. Equities also showed a broad list of gains, but prices of theleaders were coming back a shade towards the close on profit-taking. Up by 6.7 at 1 p.m., the FT 30-share index ended with a net rise of 5.8 at 433.8—its highest since October 1973.

Trading in the Funds was good but not up to recent high levels and quotations moved sharply higher from the start. Sentiment reflected the improved outlook for a return to work by the British Leyland toolmen, confirmed later in the day by votes to return taken at separate mass meetings, and continued hopes for a cut in Minimum Lending Rate to-day despite the Bank of England's signal for moderation in to-day's tender for Treasury Bills. The late firmness in the Funds was helped also by the announcement of the latest money supply figures. A rise of 0.84 took the Government Securities index to 69.26, its best since early July, 1973.

As measured by official markings of 7,466, business overall was quieter than recently, markings in the two previous days having been in excess of 9,000. However, numerous god features developed on a continued high level of speculative activity. Genuine buying was also in evidence, although some attempted by buying was thwarted because of stock shortage. Special situations and company statements often led to sharp gains. Companies with heavy overseas interest were also prominent again on hopes of exemption from dividend control, while Chemicals were often better on expectations that investment in the industry will move ahead strongly this year and next. Still on hopes of higher consumer spending and despite comment in the Bank of England's Quarterly Bulletin about the limited scope for taxation cuts in the Budget. Consumer shares such as Breweries and Stores showed to advantage. The FT-Actuaries Industrial Group index rose 2.9 per cent to 169.97 with the 500 and All-share indices both improving by about 1½ per cent.

Gilts good

Gilt-edged securities returned to the limelight with a flourish yesterday. Sentiment at the short-end was helped by continuing hopes of a reduction in Minimum Lending Rate to-day, while the market as a whole was given a fillip by the fall in the money supply figures for the month ending mid-February and by the ending of the British Leyland toolmakers' dispute. Quite a lively business developed in the shorts were gains ranged to ⅜ and occasionally more. The Chancellor's pre-Budget assessment of the economy and the Bank of England's Quarterly Bulletin which both contained forecasts of a fall in the rate of inflation had a favourable impact on the longs. However, with stock in short supply the large gains in this area, which extended to 1¾, were out of proportion to the business transacted. Among mediums, Treasury 13 per cent., 1990, stood out with a jump of 1¾ to 105¼. Corporations failed to move in line with the main Funds. But, recently issued stocks were strong, GLC 13½ per cent., 1984 (£10 paid), advancing 1½ to 13¾ for a rise of 3⅜ in less than a week.

Sporadic selling of investment currency from arbitrage quarters brought slightly lower rates until a certain amount of book-squaring in the late trading caused a rally. The result was a fluctuation in the premium from 108¼ per cent. to 111 per cent. before a close of 110¾ per cent., up 1¼ points on the day. Yesterday's SE conversion factor was 0.7219 (0.7208).

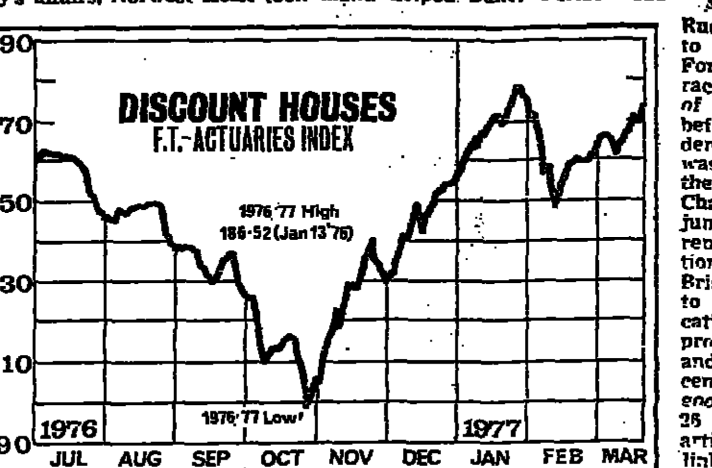
Standard Bk. firm

Home Banks were quietly firm with Barclays closing 8 higher at 273p and Lloyds 4 to the good at 222p. Bank of Scotland added 7 at 265p. Persistent demand on hopes of exemption from dividend controls lifted Standard Chartered 14 to 334p among Foreign issues. Still reflecting Tuesday's good results, Grindlays gained 5 to 76p but losses of 6 and 7 respectively were recorded in Hongkong and Shanghai, 340p, and ANZ, 273p. Discounts took their cue from firm Gilt-edged. Cater Ryder closing 10 up at 260p and Alexanders 8 higher at 213p. Hambros put on 7 to 170p and Kleinwort Benson 4 to 96p in Merchant Banks. Slater, Walker Securities were unmoved at 9p following the interim figures.

The volume of business in Insurances increased considerably. Prices improved throughout the list and Commercial Union, 131p, Guardian Royal Exchange, 218p, and Royals, 350p, all closed 5 better. Sun Alliance were 8 to the good at 468p; the results are due on April 6. London United, after the previous day's gain of 5, improved 4 more to 81½p, after 82p. Brokers were featured by a rise of 14 to 288p in Sedgwick Forbes.

A. Bel figured prominently in Distillery concerns, improving 6 to 214p on the substantially improved earnings. Highland edged up 3 to 66p and Distillers 2 to 140p. Breweries closed with a string of modest gains. Allied hardened 3 to 72p, while Whitbread "A," 74½p, and A. Guinness, 143p, both finished around 2 better. Bass Charrington rose 5 to 107p as did Wolverhampton Dudley to 138p.

Buildings met with a good trade and closed firmer throughout. Ahead of next Tuesday's preliminary results, AP Cement gained 7 to 194p and London Brick, results due March 31, improved 3 to 55p. Tarmac added 8 at 148p, while improvements of 6 were recorded in Taylor Woodrow, 304p, and Barratt Developments, 86p; the last-named has half-yearly figures scheduled for March 28. Richard Costain rose 8 to 171p and J. and W. Henderson hardened 5 more to 110p, while Magnet and Southerns were a similar amount dearer at 140p. A dull market since Monday's disclosure that two Department of Trade Investigators have been appointed to look into the company's affairs, Norwest Holst took



a turn for the better and rallied 11 to 62p. Sharpe and Fisher improved a penny to 32p on the results, while Reed and Mallik edged forward a penny to 32p following news that Hamilborne had allowed its offer to lapse after selling its 28.3 per cent. stake in R. and M. to counter bidders, Rush and Tomkins, which put on 2½ to 87p.

Chemicals were helped by the industray's extensive £5bn. investment plan for the next three years. ICI touched 366p before closing 4 up on the day at 362p, while Laporte Industries did well at 114p, up 9. Ahead of to-day's preliminary profits statements, Yorkshire, 148p, and Coates Bros., rose 8 and 4, respectively. Fisons improved 6 to 361p and Stewart Plastics 4 to 90p.

Helped by probable tax concessions in the forthcoming Budget, Thorn issues made further good headway; the Ordinary, 296p, and A, 284p, rising 16p and 14p respectively. Other Electrical leaders tended to improve a penny or two with GEC up 1 at 189p and the Capital Notes rising ¾ to £99. Firm spots in secondary issues included Ever-Ready 156p, Allied Insulators, 48p, and Racal, 309p, all up 5.

Leading Stores closed at the day's best following a moderate business. Mothercare (253p, and W. H. Smith A, 112p, both closed at 1967-77 peaks with fresh gains of 8 and 6 respectively. Gussies A rose 6 to 22p and Marks and Spencer hardened 3 to 116p. Elsewhere, Church added 2 to 72p in front of to-day's results, and Lee Cooper advanced 5 to 77p in a thin market. In Shoes, Pittard hardened a penny to 53p on the results.

Secondary issues provided the main features in Engineerings. Wolseley-Hughes put on 6½ to 136½p following good first-half results, while Wolf Electric Tools were a similar amount better at a 1976-77 peak of 100p on further demand ahead of next Thursday's annual figures. Speculative demand helped Baker Perkins add 4 to 81p, after 83p, while Desoutter were prominent at 153p, up 6. Percy Lane advanced 4 to 45p ahead of results due March 31 and, reflecting a broker's circular, Spirax Sarco put on 4 to 173p. Lake and Elliot rallied 3½ more to 50½p from the depressed level that followed the first-half profits setback, while improvements of around 4 were recorded in Averys, 146p, Davy International, 195p, and Stone Platt, 118½p. Francis Shaw hardened 1½ to 33p on the results. The leaders improved, but failed to hold the day's best apart from Tubes which closed 4 up at 398p; the results are due on March 30. Hawker hardened 3 to 536p, after 538p, and GKN ended 2 dearer at 336p, after 337p. Shipbuilders made modest progress with Swan Hunter a penny better at 94p, after 95p.

FMC failed to extend Wednesday's late sharp rise on Thomas Borthwick's increased offer of 125p a share cash and succumbed to sporadic offerings which brought a close of 6 cheaper at 111p, a level still 14 higher than the rival bid from NFU Development Trust. Other Foods went higher in quiet trading. J. Sainsbury rose 6 to a 1976-77 peak of 159p, while Tate and Lyle, 272p, and Associated Dairies, 265p, put on 4 and 7, respectively. Bejam continued firmly, rising 3 to 109p for a two-day gain of 11 on further consideration of the preliminary figures. Unigate gained 3 to 51p, while rises of 1½ were seen in Associated British Foods, 57½p, and Matthews Holdings, 32½p. Supermarkets were not left behind and Tesco firmed 2 to 40½p, while Wheatsheaf Distribution, 163p, and William Morrison, 113p, put on 3 apiece. Kwik Save Discount advanced 8 to 168p. Hotel and Catering presented minor contrasting movements in Mount Charlotte Investments, up ½ at a 1976-77 high of 11½p, and MF. North, which slipped 2 to 35p.

De La Rue erratic

A strong rumour that De La Rue had negotiated or was about to negotiate the sale of its Formica division sent the shares racing ahead to a 1976-77 peak of 382p; having eased to 355p before the chairman's reported denial of any such deal the price was finally only a net 10 up on the day at 345p. In contrast, Chas. Hill of Bristol, which jumped 45 on Wednesday on reports of substantial compensation for the running down of its Bristol shipbuilding side, lost 28 to 127p on the chairman's clarification of the situation. Excellent profits, a proposed rights issue and the forecast of a 110 per cent. dividend increase made a good impression on Sale Tilney, 26 higher at 168p. A Press article covering the strong trading links with the Russians aided Dundee-Combex-Marx, up 6 at 240p, while record profits from Thomas Tilling were underlined by the Press and helped in a gain of 3½ to 53½p. Plans to increase U.K. capacity was good for a rise of 3 to 153p in Low and Bonar. Gibbons Dudley also improved 3 to 65p, on the higher profits and proposed 50 per cent. scrip issue.

Apologies are extended to the company and to readers for the incorrect price and change shown for Ozalid Group in yesterday's issue of the paper: the shares last night closed a penny harder at 88p.

In fairly thin trading, the miscellaneous Industrial leaders made a better showing than on Wednesday. Rank Organisation rose 8 to 200p, while Reed International put on 7 to 223p. Rises of about 6 were seen in Boots, 161p, Bowater, 204p, and Glaxo, 495p. Revived speculative demand lifted Hay's Wharf 9 to 93p, and Wm. Press 8 to 55p. Wedgwood put on 8 to 155p, and Lep 7 to 155p, and Wm. Baird 7 to 122p.

Motors and Distributors were influenced, of course, by news of the return to normal working at British Leyland on Monday. BL, preliminary results to-day, finished 2¼ better at 27¾p and Wilmot-Breeden hardened 2 to 68p, while Rolls-Royce, 78p, and Associated Engineering, 108p, put on 4 and 5, respectively. Lex Service were also prominent, advancing 3 to a 1976-77 high of 54½p on the substantially increased earnings. Pride and Clarke stood out with a jump of 18 to 140p on small buying in a thin market. Elsewhere, modest improvements were seen in Abbey Panels, 35p, and BSG International, 24½p.

Capseals, still reflecting the interim report, hardened another 1½ to 26p in Paper/Printings. DRG moved 4 to 118p, while British Printing, 42½p, and Associated Paper, 33½p, put on 1½ apiece. In Publishers, William Collins A rose 7 to 140p on the increased earnings.

BP calm

Despite annual net profits that were well below general expectations, British Petroleum showed little overall reaction to the news: standing at 896p in front of the figures, the price fell back to 878p after the announcement and on London support (the U.S. was a potential seller) the price rallied to close only a net 4 down at 884p. Shell ended 4 up at 514p, after 516p, while, following Press comment on the results, Ultramar rallied a penny to 161p, after 162p. Oil Exploration were a good market at 92p, up 7, with the aid of call option business and hopes of an early drilling statement. Attock remained in favour at 95p, up 5, while Tricentrol recovered 2 at 134p. Royal Dutch, on overseas influences, gave up ½ at £44¼, while the Australian Woodside-Burmah lost 4 more to 32p on fears of a fund-raising exercise. Ranger Oil, in Canadians, fell ¾ to £16½.

Property shares became a little livelier yesterday after recent comparative quietness. English Property responded to the good profits statement with a gain of 3 at 48½p. This tended to help other leaders, although price movements remained small. MEPC improved 2 to 85p, while Land Securities hardened a penny to 172p. Following Wednesday's surprise 200p-a-share cash offer from Rothschild Investment Trust, Bridgewater Estates were marked up 45 to 215p in anticipation of a bid battle and went further ahead to 233p before closing a net 13 up at 228p; RIT hardened 4 to 250p. Bid speculation was also the cause for a rise of 11 to 185p, after 187p, in Churchbury Estates. Other firm spots included Haslemere Estates, 3 up at 191p, C. H. Beazer, also 3 better at 40p, and Allied London, 2 to the good at 61p. Second City were unaltered by 29½p after the small increase in first-half profits, while the return to profitability had no apparent effect on Centrovincial, unchanged at 37½p.

Overseas Traders featured bright spots in James Finlay, which rose 8 to 210p, and Ocean Wilsons, up 6 more at 190p. Sena Sugar 8½ per cent. Debenture stock, 1987-1992, were marked up ten points to a basis of £40 to £60 on the Board's statement that an offer for the stock may be forthcoming.

Estates House once again provided the focal point in Investment Trusts, rising 15 to 262p on the Board's statement that the company is currently involved in bid talks with an unidentified party. Trust and Agency of Australasia, in which Estates House hold a 32.18 per cent. stake, moved up 6 to 140p in sympathy. Other issues were widely better following a quiet trade. New Court European Trust rose 3½ to 49p on the announcement that the Board was going ahead with its plans for unitisation by July 31. Caledonia Investments advanced 9 to 235p. In Financials, Charterhouse hardened 3 to 49p and Scottish and Mercantile A improved 5 to 86p. Edinburgh Industrial finished only marginally easier at 20½p following news that the company is placing 2.5m. shares through the market at 12½p per share.

Shippings closed at, or near, the best following a lively trade.

Rubbers provided a few notable movements. Helped by hopes of exemption from dividend control, Guthrie closed 12 higher at 217p, after 220p, while Patani Para Plantations, still on the bid approach, put on another 10 to 120p. Jitra were also popular, gaining 7 to 39p in a restricted market.

Golds edge up

South African Golds continued on their recent upward tack in the wak eof the further improvement in the bullion prices, which advanced $1... ounce, its h... since Septem... three-day ri...

Interest i... was on a ... late, but bus... sufficient to... index by 1.1 ... Brand were ... heavyweight... point rise to ... ¼ were com... £11¼ St. Hele... Holdings, £1...

Lower pric... to 10, as ... Harmony, ... general tr... profit-taking ... same amoun...

Financials ... London-regi... tinued to ... the U.K. ... although pi... in late trad... dated and ... 4 higher a... spectively ... closed 2 h... 229p. Selecti... up 5 to 47...

Overseas ... ever, were ... interest. T... Land gave ... in front of ... dend and ... performanc... were unalt... American ... ¼ more fo... of £1¼. C... despite th... the metal.

The lack ... night Syd... markets le... pence eas... Among U... fell 10 to ... tries 5 to 2... sistent loc... Tin and ... 41p.

FINANCIAL TIMES STOCK [INDICES]

—	Mar. 17	Mar. 16	Mar. 15	Mar. 14
Government Secs	69.26	68.42	68.43	68.85
Fixed Interest	67.85	67.54	67.50	67.37
Industrial Ordinary	433.8	428.0	427.9	425.8
Gold Mines	134.1	133.0	129.1	128.8
Ord. Div. Yield	5.13	5.19	5.20	5.19
Earnings Yld% (full)(*)	15.72	15.91	15.94	15.85
P/E Ratio (net) (*)	9.24	9.04	9.02	9.05
Dealings marked	7,466	9,201	9,591	8,072
Equity turnover £m.	—	80.27	105.57	90.04
Equity bargains total	—	19,959	24,570	19,125

10 a.m. 432.6. 11 a.m. 432.8. Noon 434.6. 1 p.m. 434.5. 2 p.m. 434.6.

Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. ... Mines 12/10/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976/7 High	1976/7 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	69.26 (17/3/77)	65.88 (27/1/-)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	67.85 (17/3/77)	55.37 (26/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	433.8 (17/3/77)	265.3 (27/10)	548.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1/76)	78.8 (2/8)	442.3 (22/5/75)	42.5 (26/10/71)

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. 01-836 3161. (Credit card bookings 01-240 5258) ENGLISH NATIONAL OPERA ...

THEATRES

FORTUNE. 836 2238. Mon.-Fri. 8.00. Sat. 5.00 and 8.00. Mat. Thurs. 3.00. ...

THEATRES

REGENT. 323 2707. Evenings 8.30. Friday and Saturday 7.00 and 9.15 ...

CINEMAS ARE CONTINUED ON PAGE 13

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1977-78. Q Gross. r Figures assumed. † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♣ Offered to holders of Ordinary shares as a "rights." ♥ 80 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. $ With warrants. ◊ After suspension. KD Kuwait Dinar.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976-77 high	1976-77 low
ICI	£1	19	362	+4	402	256
Glaxo	50p	14	495	+5	495	280
BATs Defd.	25p	13	243	+6	248	189
Shell Transport	25p	13	514	+4	524	352
Thorn Elec. A	25p	13	284	+14	288	134
BP	£1	12	884	−4	950	557
Distillers	50p	12	140	+2	158	95½
Estates House In.	25p	11	262	+15	262	150
Trafalgar House	20p	11	127	+7	127	65
Bass Charrington	25p	10	107	+5	114	66
GUS A	25p	10	222	+6	224	123
Press (Wm.)	5p	10	55	+8	55	17
Reed Intl.	£1	10	223	+7	274	156
RTZ	25p	10	226	+2	239	132
Burmah Oil	£1	9	64	—	80	25

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (c)

OPTIONS TRADED

Calls were dealt in Ladbroke Mettoy, P. and O. Deferred, UDT Warrants, Charterhall Finance, and Rio Tinto-Zinc. Mettoy, Cons. Plantations, P. and O. Deferred, Root Harvesters, MEPC, Reed International, UDT, Shell Transport, Bejam, Dufay Bitumastic, Ultramar, Town and City Properties, Burmah Oil, Whessoe, William Press and Burton A. Puts were done in Ladbroke Warrants and ICI, while doubles were arranged in

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar. 8	Mar. 21	Jun. 9	Jun. 21
Mar. 22	Apr. 4	Jun. 23	July 5
Apr. 5	Apr 19	July 7	July 21

For rate indications, see end of Share Information Service.

FT—ACTUARIES SHARE IN[DICES]

These indices are the joint compilation of the Financial Times, the In[stitute of Actuaries] and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs., March 17, 1977 Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) Corp. Tax 52%	Wed. March 16 Index No.	Tues. March 15 Index No.
1	CAPITAL GOODS (178)	167.80	+1.5	18.05	5.95	8.23	165.30	165.4
2	Building Materials (31)	140.33	+2.5	19.30	7.02	7.97	136.91	138.6
3	Contracting, Construction (23)	234.43	+3.6	19.07	4.59	7.96	226.23	230.1
4	Electricals (16)	342.47	+0.7	16.18	4.70	9.16	340.12	337.0
5	Engineering (Heavy) (11)	216.07	+1.9	22.44	6.11	6.15	211.95	212.8
6	Engineering (General) (67)	149.18	+1.0	18.07	6.37	8.11	147.64	147.2
7	Machine and Other Tools (9)	77.98	+1.3	24.16	7.64	6.29	76.94	76.2
8	Miscellaneous (21)	140.03	+1.5	16.92	6.59	8.65	137.97	138.1
	CONSUMER GOODS							
11	(DURABLE) (53)	150.98	+2.4	17.94	5.19	8.30	147.39	147.0
12	Lt. Electronics, Radio TV (15)	171.35	+3.3	16.88	4.23	8.83	165.94	165.4
13	Household Goods (13)	149.18	+1.3	20.85	8.16	6.90	147.24	146.8
14	Motors and Distributors (25)	98.41	+1.5	18.75	5.83	8.00	96.91	96.8
	CONSUMER GOODS							
21	(NON-DURABLE) (170)	161.17	+1.9	14.89	6.25	9.90	158.13	158.9
22	Breweries (15)	172.28	+3.4	14.67	6.97	10.25	166.56	166.6
23	Wines and Spirit (6)	181.33	+1.6	13.92	6.25	11.03	178.55	177.8
24	Entertainment, Catering (15)	200.43	+0.9	16.00	7.33	9.48	198.73	200.72
25	Food Manufacturing (21)	173.03	+1.0	17.16	5.56	8.69	171.38	172.4
26	Food Retailing (17)	162.45	+3.2	12.93	5.05	11.19	157.46	157.70
32	Newspapers, Publishing (16)	256.78	+0.6	10.09	4.23	15.01	255.26	256.71
33	Packaging and Paper (13)	113.51	+1.8	15.84	7.05	9.72	111.53	112.13
34	Stores (35)	137.06	+2.6	11.47	5.21	13.45	133.54	133.22
35	Textiles (24)	161.67	+1.1	13.37	7.46	11.73	159.86	159.44
36	Tobaccos (3)	213.27	+1.4	21.50	8.43	6.18	210.31	211.89
37	Toys and Games (5)	87.49	+1.9	19.32	7.35	6.87	85.90	86.18
	OTHER GROUPS (95)							
42	Chemicals (20)	232.32	+1.2	15.61	5.05	9.32	229.54	229.39
44	Office Equipment (8)	100.12	+2.7	15.88	5.72	8.81	97.53	99.25
45	Shipping (10)	477.47	+2.2	11.31	5.50	12.68	467.24	466.39
46	Miscellaneous (51)	169.76	+2.9	15.49	7.18	9.68	164.92	166.35
49	INDUSTRIAL GROUP (496)	169.97	+1.9	15.93	5.97	9.26	166.89	167.19
51	Oils (4)	478.35	+0.1	8.90	3.66	13.01	477.79	479.14
59	500 SHARE INDEX	194.77	+1.5	14.65	5.55	9.77	191.83	192.22
61	FINANCIAL GROUP (100)	140.15	+1.9	—	5.69	—	137.50	138.50
62	Banks (6)	161.20	+1.8	25.77	5.95	5.94	158.39	159.21
63	Discount Houses (10)	173.34	+2.2	—	8.31	—	169.58	171.91
64	Hire Purchase (5)	121.35	−0.2	7.68	5.76	26.33	121.54	122.08
65	Insurance (Life) (10)	117.13	+2.7	—	6.46	—	114.03	115.44
66	Insurance (Composite) (7)	116.27	+2.3	—	6.36	—	113.62	114.59
67	Insurance Brokers (10)	284.30	+1.9	11.45	4.84	13.06	279.08	281.45
68	Merchant Banks (15)	68.82	+2.2	—	6.16	—	67.34	67.28
69	Property (31)	177.35	+1.0	4.14	3.18	39.15	175.57	176.88
70	Miscellaneous (6)	83.49	+3.1	18.07	10.33	8.56	80.98	81.45
71	Investment Trusts (50)	170.78	+2.0	3.13	4.65	31.99	167.38	166.86
81	Mining Finance (4)	103.97	+1.5	20.28	4.87	12.46	102.47	101.86
91	Overseas Traders (17)	274.58	+0.8	16.90	5.47	8.31	272.48	273.20
99	ALL-SHARE INDEX (671)	181.09	+1.6	—	5.51	—	178.24	178.67

	FIXED INTEREST	Thurs., March 17 Index No.	Thurs., March 17 Yield %	Wed. March 16	Tues. March 15	Monday March 14	Friday March 11	Thurs. March 10
1	Consols 2½% yield	—	12.58	12.74	12.73	12.72	12.96	13.12
2	20-yr. Govt. Stocks (6)	54.70	†11.94	53.69	54.05	54.34	53.84	52.77
3	20-yr. Red. Deb. & Loans (15)	52.26	†14.16	50.98	50.81	50.79	50.76	50.68
4	Investment Trust Prefs. (15)	49.08	14.16	49.32	49.32	49.32	49.57	48.94
5	Coml. and Indl. Prefs. (20)	68.50	15.58	68.60	68.60	68.56	68.53	68.25

† Redemption yield. Highs and lows record, base dates and values and constituent changes ... issues. A list of the constituents is available from the Publishers, the Financial Times, ... Street, London, EC4, price 15p, by post 20p.

NEW HIGHS AND LOWS FOR 1976/77

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976-77.

NEW HIGHS (207)

BRITISH FUNDS (48)
CORPORATION LOANS (1)
FOREIGN BONDS (1)
BANKS (7)
BEERS (1)
BUILDINGS (11)
CHEMICALS (6)
DRAPERY & STORES (6)
ELECTRICALS (10)
ENGINEERING (16)
FOODS (10)
HOTELS (3)
INDUSTRIALS (37)
INSURANCE (5)
MOTORS (5)
NEWSPAPERS (4)
PAPER & PRINTING (3)
PROPERTY (6)
SHIPBUILDERS (2)
SHIPPING (4)
SHOES (1)
TEXTILES (3)
TRUSTS (15)
OILS (2)
OVERSEAS TRADERS (1)
RUBBERS (6)
TEAS (1)

NEW LOWS (2)

BUILDINGS (1)
Lafarge
FOODS (1)
Meat Trade Supp.

RISES ... YES[TERDAY]

هكذا من الاصل

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

INSURANCE, PROPERTY, BONDS

BASE LENDING RATES

...nk	10½%	■ Hill Samuel	§10½%
...ish Banks Ltd.	10½%	C. Hoare & Co.	†10½%
...Express Bnk.	10½%	Julian S. Hodge	11½%
...k Ltd.	10½%	Hongkong & Shanghai	10½%
...nsbacher	11 %	Industrial Bank of Scot.	11½%
...Bilbao	10½%	Keyser Ullmann	11 %
...Credit & Cmce.	11½%	Knowsley & Co. Ltd.	13 %
...Cyprus	10½%	Lloyds Bank	10½%
...N.S.W.	10½%	London & European	12 %
...u Rhone S.A.	11½%	London Mercantile	10½%
...Bank	10½%	Midland Bank	10½%
...hristie Ltd.	12 %	■ Samuel Montagu	10½%
...Holdings Ltd.	12 %	■ Morgan Grenfell	10½%
...k of Mid. East	10½%	National Westminster	10½%
...ripley	10½%	Norwich General Trust	11 %
...ermanent AFI	10½%	P. S. Refson & Co.	10½%
...& C Fin. Ltd.	12½%	Rossminster Accept'cs	11½%
...water Co. Ltd.	11½%	Royal Bk. Canada Trust	10 %
...ldings	12 %	Schlesinger Limited	11 %
...use Japhet	10½%	E. S. Schwab	12 %
...es	11½%	Security Trust Co. Ltd.	12 %
...ted Credits	11½%	Shenley Trust	14 %
...ve Bank	*10½%	Standard Chartered	10½%
...r Securities	10½%	Trade Development Bk.	10½%
...nnais	10½%	Twentieth Century Bk.	12 %
...wes	12 %	United Bank of Kuwait	10½%
...awrie	10½%	Whiteaway Laidlaw	11 %
...st	10½%	Williams & Glyn's	10½%
...unscont.	11 %	Yorkshire Bank	10½%
...don Secs.	11½%		
...Fin. Corp.	14 %		
...Secs. Ltd.	14 %		
...bbs	10½%		
...rant Trust	10½%		
...l Guaranty	10½%		
...Bank	‡10½%		
...Mahon	10½%		
...Bank	10½%		

■ Members of the Accepting Houses Committee.

* 7-day deposits 6½%, 1-month deposits 6¾%.

† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7½% and over £25,000 7¾%.

‡ Call deposits over £1,000 6½%.

§ Demand deposits 7½%.

DRAWING

PERUVIAN NATIONAL LOAN
EXTERNAL SINKING FUND BONDS 1928
(SECOND SERIES)

...rburg & Co. Ltd. announce that the Semi-annual redemption ...1st April, 1977, has been met by purchases in the market to ...lue of £12,900 and by a drawing of Bonds to the nominal ...0.

...tive numbers of the Bonds, drawn in the presence of a Notary ...ollows:—

...No.:—9016

...le's:—7391 7993

...lo.'s.

180	291	405	487	549	617	698	749
917	1025	1125	1216	1259	1347	1431	1499
1735	1780	1852	1941	2027	2143	2202	2251
2438	2525	2613	2706	2782	2863	2925	2985
3222	3297	3383	3441	3529	3593	3685	3769
4005	4087	4182	4247	4316	4379	4428	4534
4719	4784	4877	4949	5002	5171	5213	5276
5528	5618	5673	5737	5806	5884	5948	5999
6161	6224	6273	6387	6486	6541	6590	6688
6914	6950	7013	7054	7154	7186		

...ril, 1977 assented bonds will become payable at the new par ...for each £100, together with accrued interest to said date at

S. G. Warburg & Co. Ltd.,
Coupon Department,
St. Alban's House,
Goldsmith Street,
London, EC2P 2DL.

...ll cease to accrue on the Bonds called for redemption on and ...1977. Bonds so presented for payment must have attached ...uring subsequent to 1st April, 1977.

...ing bonds drawn for redemption 1st October, 1975 have not ...sented for payment.

7834.

...'s.: 3, 756, 956, 1300, 1650, 1715, 1761, 2010, 2398, 2734, 3611, 4882, 4699, 4958, 5254, 5950, 6186, 6272, 6544, 6804, 6714, 6956, 7001, 7165.

...eet.
...EB.

18th March, 1977.

Schroder Life Group♥

Enterprise House, Portsmouth. 0705 27733

Flex. March 15	112.0	118.0	.....	—
Equity March 15	188.1		.....	—
Ser. 2 March 15	185.4	195.3	.....	—
Prop. March 15	124.6	131.3	.....	—
Fxd. Int. March 15	127.8	134.6	.....	—
Deposit March 15	108.2	114.0	.....	—
Pns.Cps.March 15	159.6	168.1	.....	—
Pen. Acc.March 15	181.1	191.0	.....	—
Exec. Pen Cap.	110.84		.....	—
Exec Pen. Acc.	115.66		.....	—
Money Fund	102.2	107.6	.....	—

INSURANCE BASE RATES

†Property Growth	11½%
Cannon Assurance	10 %

†Address shown under Insurance and Property Bond table.

CORAL INDEX Close 433-438

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976/7 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
103[illegible]	97[illegible]	Treasury [illegible]	100[illegible]		11.39	9.56
95¾	91[illegible]	Treasury [illegible]	95[illegible]		3.13	9.73
96	92[illegible]	Transport 4pc [illegible]	95[illegible]		4.17	9.71
99[illegible]	90[illegible]	Treasury 9pc [illegible]	99[illegible]	[illegible]	9.06	9.73
101[illegible]	93[illegible]	Treasury 10½pc [illegible]	100[illegible]	[illegible]	10.41	9.82
96[illegible]	89[illegible]	Exch 5pc 76-78	96[illegible]	[illegible]	5.18	7.45
103[illegible]	92[illegible]	Treasury [illegible]	102[illegible]	[illegible]	11.20	9.97
93[illegible]	82[illegible]	Treasury 3pc [illegible]	93½	[illegible]	3.21	5.87
94[illegible]	82¼	Electric 4½pc 74-79	94[illegible]	[illegible]	4.51	6.80
101[illegible]	88[illegible]	Treasury 10½pc [illegible]	101[illegible]	[illegible]	10.38	9.95
92[illegible]	82[illegible]	Electric 3½pc 76-79	92[illegible]	[illegible]	3.75	6.55
99[illegible]	84[illegible]	Treasury 9pc 1980[illegible]	99[illegible]	[illegible]	9.07	9.30
99[illegible]	84[illegible]	Treasury 9½pc [illegible]	99[illegible]	[illegible]	9.56	9.80
90[illegible]	78[illegible]	Treasury 3½pc 77-80	90[illegible]	−¼	3.87	6.80
92[illegible]	80	Funding 5½pc 78-80[illegible]	92[illegible]	[illegible]	5.68	7.92
107[illegible]	96	Exchequer 13pc 1980[illegible]	107[illegible]	[illegible]	12.12	10.54
104[illegible]	85½	Treasury 11½pc 1981[illegible]	104[illegible]	[illegible]	11.05	10.17
86[illegible]	76[illegible]	Treasury 3¼pc 1979-81	88[illegible]	[illegible]	3.95	6.88
100[illegible]	82[illegible]	Treasury 9½pc 1981[illegible]	100[illegible]	[illegible]	9.74	9.71
107[illegible]	96¼	Exch 12½pc 1981[illegible]	107[illegible]	[illegible]	11.84	10.62
97[illegible]	79[illegible]	Treasury 8½pc 80-82[illegible]	97[illegible]	[illegible]	8.72	9.14
85[illegible]	69[illegible]	Treasury 3pc '82[illegible]	85[illegible]	[illegible]	3.50	6.46
113[illegible]	98¼	Treasury 14pc '82[illegible]	113[illegible]	[illegible]	12.45	10.67
		Five to Fifteen Years				
107¼	89[illegible]	Treasury 12pc 1983[illegible]	105[illegible]	−1	10.68	11.38
85[illegible]	69[illegible]	Funding 5½pc 82-84[illegible]	85[illegible]	−1¼	6.47	8.44
92¼	74¼	Treasury 8¼pc 84-86[illegible]	92¼	−1¼	9.37	10.05
80[illegible]	60[illegible]	Funding 6½pc 85-87[illegible]	80[illegible]	−1¼	8.37	10.06
82¾	65[illegible]	Treasury 7¾pc 85-88[illegible]	82¾	−1¼	9.49	10.62
59[illegible]	44[illegible]	Transport 3pc 78-88	59[illegible]	−1¼	5.06	8.90
62[illegible]	48	Treasury 5pc 86-89	62[illegible]	−1[illegible]	7.97	10.37
105[illegible]	86[illegible]	Treasury 13pc 1990[illegible]	105[illegible]	−1[illegible]	12.59	12.46
79¼	61[illegible]	Treasury 8¼pc 87-90[illegible]	79¼	+1¼	10.62	11.58
61¼	47[illegible]	Funding 5¾pc 87-91[illegible]	61¼	+1[illegible]	9.27	11.17
101[illegible]	83	Treasury 12¾pc 92[illegible]	101[illegible]	+1[illegible]	12.62	12.81
		Over Fifteen Years				

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium [illegible] (based on $1.7190 per £)

Conversion factor 0.7219 (0.7208)

CANADIANS

S.E. List Premium [illegible] (based on $1.8060 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

For Bato Wm. See Banro

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INDUSTRIALS—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicle

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
165	38	Coronation 25c	52	...	Q5c	8.4	6.4
130	68	Falcon Rh.50c	115	+5	†Q35c	1.7	29.8
25	9	Rhod'n Corp. 16⅔p	13	.....	0.56	ϕ	6.6
195	120	Roan Cons. K4	150	.....	—	—	—
178	140	Tanganyika 50p	158	.....	Q10.0	0.8	6.3
70	65	Do. Pref. 80p	70	.....	Q9	10.2	10.3
54	25	Wankie Col. Rh 1	30	−2	Q7½c	1.5	24.5
46	14	Zam.Cpr SBD0.24	21½	.....	—	—	—

AUSTRALIAN

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
33	14	Acmex 25c	14	−1	—	—	—
165	82	Bougainville 50 Toea	104	−1	Q10c	1.5	6.0
*225	90	BH South 50c	118	−2	—	—	—
315	119	Conzinc Riotinto 50c	280	.....	Q9c	ϕ	2.0
75	3	G.M. Kalgoorlie $1	30	.....	—	—	—
106	58	Hamptn Areas 5p	92	−1	1.3	5.0	2.2
86	22	Metals Ex. 50c	24	−1	—	—	—
24	12	Metramar 20c	20	.....	—	—	—
294	184	M.I.M. Hldgs. 50c	215	−3	†Q4½c	1.8	1.3
105	20	Mount Lyell 25c	30	.....	—	—	—
3	2	Newmetal 10c	2¾	.....	—	—	—
113	69	North B. Hill 50c	102	−1	Q9c	1.3	5.4
9	4½	Nth. Kalgurli	6	.....	—	—	—
112	65	Oakbridge $A1	94	−1	†Q9c	1.5	6.0
37	14	Pacific Copper	30	.....	—	—	—
£19½	525	Pancont'l 25c	800	.....	—	—	—
17	8	Paringa M&Ex. 5p	8	.....	—	—	—
492	310	Peko-Wallsend 50c	440	−10	Q15c	2.7	2.1
300	60	Poseidon 50c	75#	..	—	—	—
13	6	Vultan Min. 50c	8	.....	—	—	—
9	4	Westmex 10c	4	.....	—	—	—
*199	110	Westn. Mining 50c	137xd	.....	†Q5c	1.3	2.3
110	36	Whim Creek 20c	85	.....	—	—	—

TINS

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
30	13	Amal Nigeria	26	.....	0.93	0.9	5.5
395	160	Ayer Hitam $M1	370xd	.....	†23.0	1.4	9.6
42½	17	Beralt Tin	41	+3	Z4.0	2.8	15.0
470	315	Berjuntai $M25	470xd	.....	†Q1.5	ϕ	7.9
305	136½	Geevor	305	.....	t17.87	—	9.0
14	6	Gold & Base 12½p	12	.....	—	—	—
255	170	Gopeng Cons.	252	.....	13.0	1.9	7.9
80	64	Hongkong	75	.....	—	—	—
70	56	Idris 10p	65	.....	7.15	ϕ	16.9
10	6	Jantar 12½p	9	.....	—	—	—
49	31	Kamunting 15p	44xd	.....	22.5	1.2	8.7
320	135	Killinghall	320	.....	Q50.0	ϕ	15.6
255	168	Malay Dredging	252	.....	11.0	1.1	6.7
38	20	ΔPahang	27#	.....	Q2.5	0.5	9.2
55	40	Pengkalen 10p	50	.....	5.5	ϕ	16.9
150	104	Petaling $M1	150	.....	Q12½c	10.9	2.1
51	9½	Saint Piran	51xc	.....	3.12	2.5	9.4
105	64	South Kinta 10p	97½xd	.....	7.5	0.6	11.8
207	105	Sthn. Malayan	187	−3	11.6	1.1	9.7
62	31	Sungei Besi $M1	61	−1	—	—	—
47	29	Supreme Corp. $M1	47	.....	Z010	—	5.3
55	40	Tanjong 15p	52	.....	4.64	b1.8	13.7
67	40	Tongkah Hrbr $M1	63	.....	Q16.92%	0.3	6.7
115	58	Tronoh $M1	110xd	−1	†4.29	2.0	6.0

COPPER

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
85	35	Botswana RST R2	37	.....	—	—	—
335	136	Messina R0.50	195	.....	Q45c	2.8	15.4

MISCELLANEOUS

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9	.....	0.1	ϕ	1.8
35½	15½	Charterhall 5p	29	.....	—	—	—
90	28	Colby Mines $C1	87	+2	—	—	—
990	420	Cons. Murch. 10c	490	.....	Q140c	ϕ	19.1
440	245	Northgate C$1	410	+10	—	—	—
239	132	R.T.Z.	226	+2	g5.96	2.1	4.1
112	55	Sabina Inds. C$1	60	.....	—	—	—
£15⅞	£10	Tara Exptn. $1	£12¼	−⅞	—	—	—
53	32½	Tehidy Minerals 10p	53	.....	t1.19	2.2	3.5
145	84	Yukon Cons. C$1	140	.....	Q6½c	ϕ	1.8

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures: they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- § Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ψ Excluding a final dividend declaration.
- ★ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 36

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	18	.....	Sayers 12½p	32	+1
Ash Spinning	40	.....	Sheffield Brick	85	.....
Bertam	17	.....	Sheff. Refrshmt.	160	+5
Bdg'wtr. Est. 50p	228	+13	Shiloh Spinn.	21	+1
Clover Croft	21	.....	Sindall (Wm.)	54	.....
Craig & Rose £1	360	.....			
Dyson (R.A.)	21	−2	**IRISH**		
Ellis & McHdy.	59	.....			
Evans Fr'k. 10p	17	.....	Conv. 9% '80/82	90½	.....
Evered	12½	.....	Alliance Gas	43	.....
Fife Forge	55	.....	Arnott	225	.....
Finlay Pkg. 5p	16	.....	Carroll (P.J.)	93	.....
Graig Ship. £1	325	.....	Clondalkin	41	.....
Hallam Sleigh 10p	85xc	+1	Concrete Prods.	73	.....
Higsons Brew.	78	.....	Heiton (Hldgs.)	28	.....
I.O.M. Stm. £1	145	.....	Ind. News	47	.....
Holt (Jos.) 25p	200	.....	Ins. Corp.	125	.....
Kleen-e-Ze	41	.....	Irish Distillers	55	.....
Lovell's Ship £1	180	.....	Irish Ropes	119	.....
N'thn. Goldsmith	26	.....	Jacob	43	.....
Pearce (C. H.)	80	.....	Sunbeam	17	.....
Peel Mills	13	.....	T.M.G.	136	.....
Robb Caledon 5p	84	.....	Unidare	49	.....

OPTIONS

3-month Call rates

Industrials		Hawker Sidd.	40	Tube Invest	30
A. Brew	6½	House of Fraser	8	Unilever	40
A.P. Cement	18	I.C.I.	25	Utd. Drapery	7½
B.S.R.	10	"Imps"	7	Vickers	15
Babcock	8	I.C.L.	14	Woolworths	6
Barclays Bank	25	Inveresk	7		
Berry Wiggins	5	Ladbroke	11	**Property**	
Beecham	32	Legal & Gen.	12	Brit. Land	3½
Boots Drug	12	Lex Service	5	Cap. Counties	3
Bowaters	16	Lloyds Bank	22	E.P.	5
B.A.T.	21	"Lofs"	5	Intreuropean	7
British Oxygen	6	London Brick	5	Land Secs.	14
Brown (J.)	17	Lonrho	8	MEPC	7
Burton 'A'	6	Lucas Inds.	20	Peachey	6
Cadburys	5	"Mams"	7	Samuel Props.	4½
Cavenham	10	Mrks. & Spncr.	10	Town & City	1½
Courtaulds	10	Midland Bank	25		
Debenhams	8	Nat. West. Bank	22	**Oils**	
Distillers	13	Do. Warrants	9	Brit. Petroleum	60
Dunlop	8½	P & O Dfd.	12	Burmah Oil	8
Eagle Star	11	Plessey	7	Shell	20
E.M.I.	20	R.H.M.	5	Ultramar	14
Gen. Accident	17	Rank Org. 'A'	18		
Gen. Electric	17	Reed Intl.	20	**Mines**	
Glaxo	36	Rerrolle	12		
Grand Met.	7	Spillers	4	Charter Cons.	15
G.U.S. 'A'	18	Tesco	4	Charterhall Fin.	4
Guardian	18	Thorn 'A'	22	Cons. Gold	15
G.K.N.	25	Trust Houses	13	Rio T. Zinc	18

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Friday March 18 1977

£90m. iron ore processing plant for Tyneside

BY ROY HODSON

AN INTERNATIONAL consortium is to build a £90m. plant on Tyneside to process iron-ore. The members are Consolidated Goldfields, Sheerness Steel Company, Fiat, Manchester Steel Company, and Tube Investments.

The decision ends three years of uncertainty *about the financial* and technical feasibility of the project.

A company called North Sea Iron has been formed to run the *projected 800,000-tonnes-a-year* plant.

Consolidated Goldfields is taking about a one-third share. Goldfields intends to develop its interests in the processing of raw materials and is already backing a similar project to *reduce iron-ore* in the U.S.

The private-sector steel company, Sheerness Steel, will also take about a one-third share. Mr. Clancy Schueppert, chairman of Sheerness, has been the driving force behind the ore plant project. The precise holdings of *Goldfields and Sheerness were* still being discussed last night.

Fiat is taking 12.5 per cent. to obtain a new source of iron for its foundries. The other two investors are Manchester Steel Company, which along with Sheerness Steel wants a supply *of reduced iron ore for steelmaking,* and Tube Investments.

Manchester Steel's holding is *not known. Tube Investments is* taking 6.25 per cent.

The plant will provide 150 new jobs at Jarrow Slake on the Tyne when it is opened in 1979. Imported ore in giant carriers will be processed into a form of iron for feeding electric arc fur*naces and foundries.*

It will be a valuable alternative material to scrap steel which has been fluctuating *in price vio*lently during the last two years.

Sheerness Steel, Manchester Steel, and other mills at home and abroad will be taking the *product by rail and sea.*

South Tyneside council and the Tyne and Wear County Coun*cil yesterday welcomed the new* industry. The Department of Industry is still studying an application from the consortium for selective financial assistance which can be granted in a development area.

Mr. Lawrence Palmer, technical director of Sheerness Steel, has been appointed managing director of North Sea Iron. Mr. Schueppert is to be the *non*-executive chairman.

Tennant Trading, a subsidiary of Consolidated Goldfields, will have exclusive marketing rights for the proportion of the reduced iron ore which is not used by the mills and foundries of the *participating companies.*

British Steel is already building a similar sized ore reduction plant in Scotland. The introduction of big new supplies of directly reduced iron ore is expected to bring about fundamental changes in British steel*making.*

The economics of the industry are making the technique of steel-making by the use of directly reduced ore and electric arc furnaces look more attractive than ever before, compared with the traditional hot metal route *of the blast furnace* and steel furnace.

With home supplies of directly reduced ore becoming *available,* new attention will be given to electric steel-making.

● A £14m. loan has been made to the British Steel Corporation by the European Investment Bank for new steel plant at Ravenscraig, the corporation's *main Scottish* steel-making centre.

Secrets Bill for autumn session

By Rupert Cornwell, Lobby Staff

MR. MERLYN REES, the Home Secretary, is hoping to introduce the promised Official Information Act to replace the much-criticised Section 2 of the existing Official Secrets Act in the coming Parliamentary session, starting this autumn.

Mr. Rees gave this message at a Commons meeting yesterday with MPs from Westminster's all-party committee on freedom of information. But he said the Government could give no firm commitment yet on a date.

The new Act, which the Home Secretary outlined in the Commons last November, broadly removes criminal sanctions on the disclosure and receipt of official documents on home and economic policy matters, even when they are Cabinet or Cabinet Committee papers.

Section 2, the notorious "catch-all" clause of the old Act, made the disclosure and receipt of any official information whatsoever in theory a criminal offence, and had become almost unworkable.

Its successor will limit sanctions to information marked with a new category: "Defence and International—Confidential." This will embrace defence, security and intelligence, and certain foreign policy matters.

However, Labour MP Mr. Arthur Lewis, who heads an all-party pressure group, seeking changes in the Act, appeared *to receive little* satisfaction on the committee's demands for a broader revision that would remove *the* Government's ability to refuse people access to information, either on themselves or on public matters of legitimate interest.

Section 2, he said afterwards, could be invoked by any official to keep information away from individuals if they so wished.

News Analysts Page 10
Parliament Page 18

Bank takes firm action to stem fall in rates

By Michael Blanden

THE BANK of England took firm action yesterday to stem the *downward trend of short-term* interest rates.

Its actions were taken as an indication that the authorities would be unhappy to see a fall of more than ½ per cent. in the official minimum lending rate today from the present 11 per cent.

However, at the end of dealings yesterday rates on Treasury bills were still at levels which, if maintained at to-day's weekly bill tender, would produce a minimum lending rate of 10¼ per cent. on the basis of the normal market-related formula.

The Bank's action yesterday forced some of the discount houses to borrow for seven days at the current minimum lending rate, showing a desire for moderation in the decline in rates.

Formula

It was thought that the Bank would be prepared to over-ride the *normal market formula* today, if necessary, to limit the reduction in MLR to acceptable levels. New powers to limit or prevent a fall in the rate as a *result of the Friday bill* tender were taken last week as a measure to strengthen the official control.

The normal market-related formula for MLR was re-activated only last Friday after the Bank had fallen into line with the market by cutting the official rate from 12 to 11 per cent. on Thursday. Before that, *the rate* had been held at 12 per cent. for five weeks by administrative action with the market-related formula suspended.

Drop in money supply brings growth well within target

BY MICHAEL BLANDEN

CONTINUED SALES of gilt-edged stocks and a fall in bank lending brought another drop in the money supply last month.

In the four weeks to mid-February, the sterling component of the money stock on the broader definition (M3) fell by £277m., or 0.7 per cent., on a seasonally adjusted basis.

The figures confirm that after the emergency measures taken last year to counter an excessive growth of the money supply, the *expansion* is now well within the targets set for the current financial year.

Over the first ten months of the year, sterling M3 has now increased by only about 5¼ per cent. This leaves plenty of room under the growth range of 9 to 13 per cent. in the year to mid-April which Mr. Denis Healey *has said would be consistent* with the target for domestic credit expansion for the period.

In contrast, the narrowet definition of the money stock *(M1), which* includes only notes and coins in circulation and U.K. private sector sterling sight deposits, was inflated by a sharp rise in the banking system's current account funds and rose by 1.3 per cent. last month after seasonal adjustment.

It is now expected that domestic credit expansion will fall well under the limit of £9bn. for the financial year indicated in the letter of intent to the International Monetary Fund. This was confirmed this week in the Bank of England's latest Quarterly Bulletin, but it was also pointed out that the money supply measure may not be so much below the expected growth range.

Last month's fall in sterling M3 was less than the 1.6 per cent. drop recorded in the long January banking month, and perhaps rather smaller than might have been expected from the preliminary indications given last week by the sharp fall in the banking system's eligible liabilities—their main deposit funds.

The decline reflected a number of *factors.* These included a fall of £306m. in the banks' sterling lending to the private sector and a Government borrowing requirement which was again fairly modest compared with earlier in the financial year.

There were also additional sales of gilt-edged securities to the general public, including the £1.25bn. tap stock issue. But this was partly offset by purchases by the authorities, and the Bank reports that net sales of gilt-edged were "on a scale much reduced from the exceptional level of the previous month.

The money supply figures were also increased by a further inflow of funds from overseas—*though on a smaller scale than* in the previous month—which have the effect of increasing money stock without affecting the domestic credit expansion.

Since last month official sales of gilt-edged securities have stopped, and with a further inflow of funds it is to be expected that the sterling M3 figure could show a considerable increase after the decline during the past three months.

GROWTH OF THE MONETARY AGGREGATES (£m.)

	Money stock M1 Unadjusted	Money stock M1 Seasonally adjusted	%	Sterling M3 Unadjusted	Sterling M3 Seasonally adjusted	%	Bank lending* Unadjusted	Bank lending* Seasonally adjusted
1976								
February 18	484	620	3.8	291	550	1.5	−93	−32
March 17	351	140	0.8	236	−8	—	−103	−123
April 21	562	340	2.0	683	448	1.2	444	420
May 19	−73	−8	—	69	277	0.7	24	185
June 16	70	−174	−1.0	201	138	0.4	34	227
July 21	436	545	3.2	951	646	1.7	1,432	678
August 18	316	352	2.0	445	598	1.6	−360	−8
September 15	339	402	2.2	601	726	1.9	207	490
October 20	−397	−332	−1.8	235	351	0.9	704	660
November 17	278	205	1.1	523	280	0.7	264	475
December 8	452	164	0.9	−72	−129	−0.3	15	167
1977								
January 19	−775	−293	−1.6	−950	−644	−1.6	679	156
February 16	10	234	1.3	−635	−277	−0.7	−301	−306

* To private sector in sterling

Source: Bank of England

Devolution may face new delay

By Richard Evans, Lobby Editor

MR. MICHAEL FOOT, the *Minister with responsibility for* devolution, admitted for the first time last night that it might not be possible to resurrect the shelved Scotland and Wales Bill *until* the next parliamentary session.

The clear hint of further delay is certain to *infuriate the Scot*tish and Welsh Nationalists, who will increase their propaganda onslaught against the Government and be less likely than ever to back the Government in key Commons divisions.

Mr. Foot told MPs during a *Parliamentary Labour Party dis*cussion on the legislative programme that the Government had not abandoned the Bill, which was withdrawn from the Commons last month as a result of the failure to secure the guillotine motion.

Any proposal for dropping the Bill would have "serious repercussions" on the Government, and legislative time would have to be allowed for the return of the Bill later this session, he argued.

But Mr. Foot then admitted *that among the possible items for* the next session was a revised devolution Bill, as well as the anticipated legislation on worker participation and on merchant shipping.

Until now, Ministers have insisted that the contentious Bill, giving a degree *of home rule to* Scotland and Wales, has been withdrawn only for a matter of *weeks to allow discussions to take* place with Opposition parties and with groups of Labour rebels whose failure to support the guillotine led to the Government defeat.

Continued from Page 1

68 die in Lebanon revenge waves

for Mr. Jumblatt's sister Linda, assassinated in Beirut less than a year ago. At the time Mr. Jumblatt pointed out that his father had also been murdered, and that "deep down I feel that I will meet the same fate."

In Muslim West *Beirut* machine-gun fire echoed as Jumblatt followers fired into the air. The streets were deserted. Shops, offices and banks stayed closed after the Left-wing front which Mr. Jumblatt led called for a 24-hour strike.

Both Lebanese and Syrian authorities continued to hunt for the four men who intercepted Mr. Jumblatt's car and shot him along with his driver and bodyguard. An abandoned Pontiac *Firebird car with Iraqi registra*tion was found. Investigators tried to check if the number plate was fake.

According to Druse sources the identity of the assassins is known, but this could not be confirmed officially. The Druses said the four men belonged to a Druse clan with a long-standing political feud with the Jumblatt *family.*

Some observers believe that it is an over-simplification to attribute the assassination to family conflicts. They said the murder appeared calculated to achieve *far-reaching political goals.*

Mr. Jumblatt's removal from the Lebanese scene leaves a serious power vacuum. He would have been the main interlocutor *on the Muslim and Left side in* talks on the future political system.

He and the Muslim-Left alliance proposed a programme *of reforms* to eliminate sectarian distribution of State posts.

Right-wing Christian leaders have put forward counter-proposals providing for a system of *decentralisation,* with each district and community running its own affairs. The Muslims and *Left rejected the suggestions.*

Another possible objective of the murder would be to weaken *the Left and Palestinian position* in Lebanon.

The Left has lost a leader round whom it could rally, despite internal differences. The *Palestinians have lost their* staunchest Lebanese supporter.

The Druse community has lost the leader who was regarded as a radical by more moderate Druses.

Weather

U.K. TO-DAY

BRIGHT intervals. Heavy showers.

London, E. Anglia, E. and N.E. England

Sunny intervals. Occasional heavy showers. Wind S., fresh. Max. 11C (52F).

Rest of England, Wales, Channel Is., I. of Man, N. Ireland

Bright intervals. Heavy showers. Wind S.W., fresh. Max. 11C (52F).

Outlook: Showers and sunny spells. Local night frost.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alxndria.	F	18	64	Madrid	F	14	57
Amstrdm.	S	12	54	Manchstr.	F	10	50
Athens	C	12	54	Melbourne	C	20	68
Barcelona	F	16	61	Mexico C.	S	24	75
Beirut	C	13	55	Milan	F	15	59
Belfast	C	9	48	Montreal	C	−3	27
Belgrade	F	15	59	Moscow	C	4	39
Berlin	C	15	59	Munich	F	17	63
Birmghm.	C	11	52	Newcastle	C	10	50
Bristol	F	11	52	New York	S	7	45
Brussels	F	12	54	Oslo	C	4	39
Budapest	S	14	57	Paris	C	12	54
B. Aires	S	29	84	Perth	S	30	86
Cairo	R	19	66	Prague	S	16	61
Cardiff	C	12	54	Reykjavik	C	5	41
Cologne	C	15	59	Rio de J'o	C	31	88
Copnhagn.	C	8	46	Rome	F	17	63
Dublin	R	8	46	Singapore	S	30	86
Edinbgh.	C	10	50	Stockholm	R	3	37
Frankfurt	C	14	57	Strasbrg.	C	18	64
Geneva	F	16	61	Sydney	S	23	73
Glasgow	R	9	48	Tehran	S	15	59
Helsinki	C	3	38	Tel Aviv	F	15	59
H. Kong	S	26	79	Tokyo	R	9	48
Jo'burg	S	23	73	Toronto	C	−1	30
Lisbon	F	15	59	Vienna	F	14	57
London	C	11	52	Warsaw	F	11	52
Luxembg.	C	10	50	Zurich	S	15	59

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	17	63	Istanbul	F	6	43
Algiers	F	21	70	Jersey	S	12	54
Biarritz	F	16	61	Las Plms.	C	20	68
Blackpool	F	11	52	Locarno	C	13	55
Bordeaux	C	14	57	Luxor	D	23	73
Boulogne	S	10	50	Majorca	S	17	63
Casblnca.	C	18	64	Malaga	S	17	63
Cape Tn.	S	26	79	Malta	S	16	61
Corfu	S	17	63	Nairobi	S	24	75
Dubrovnik	S	15	59	Naples	S	15	59
Faro	S	17	63	Nice	F	13	59
Florence	F	15	59	Oporto	C	11	52
Funchal	F	16	61	Rhodes	F	14	57
Gibraltar	F	19	66	Salzburg	F	19	66
Guernsey	F	10	50	Tenerife	C	17	63
Innsbruck	S	17	63	Tunis	S	20	68
Inverness	C	12	54	Valencia	S	16	61
Is. of Man	C	9	48	Venice	C	11	52

S—Sunny. F—Fair. C—Cloudy. R—Rain. D—Duststorm.

Snow reports, Page 12

Continued from Page 1

Leyland reviews future

ned in the cars group, the investment programme will have to be trimmed with some loss of jobs. There have been suggestions that the company could *lose up to 45,000 workers* in a phased programme over two to three years, although it is likely to be less;

5—The present model line-up probably will be further rationalised to help get the cars group back to break-even point after its losses last year.

At the same time the future model strategy, based on maintaining a relatively high-volume company underpinned by a new Mini, *will be looked at again.* The signing of building contracts on the new Mini-production facilities, which could involve upwards of £30m. worth of buildings, has been held up for the time being. The Cars council meeting was told by management that all plans, involving the Mini project were in the balance and the provision of investment finance would be conditioned upon a dramatic improvement in productivity and output levels.

It is also apparent that Leyland into Leyland will be conducted, but it is not expected to be on anything like the dramatic scale of that conducted by Lord Ryder —which, he has claimed, in*volved 2m. man-hours of work.*

It is also apparent htat Leyland executives will not be keen to see a break-up of the group which, they feel, needs to act as *an integrated entity.*

The one positive effect of the strike is that Leyland executives now can see a way clear to tackling the running sore caused by the erosion of skilled workers' differentials over the last three years.

The *management* has been prevented from dealing with this problem because of the Government's pay policy but, with changes promised at the national level, it can go ahead now in the hope that it can take the initiative on internal pay policies and create a better industrial relations atmosphere.

The first big test of feelings within the workforce comes on Monday when about 50,000 workers who have been laid off or on strike will be recalled to the factories.

It will be some days before production picks up to the kind *of "normal" levels* demanded by the Government as a condition for further tranches of loan assistance. According to the Government, the company must then *maintain these levels con*sistently until the next tranche is due in the summer.

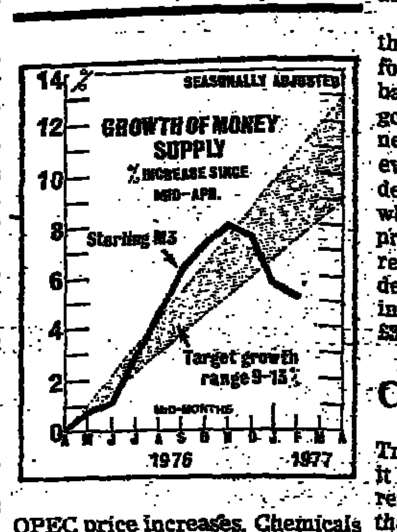
● In a Commons written answer yesterday, Mr. Harold Walker, *Minister of State at the Depart*ment of Employment, rejected a call for a Royal Commission to examine pay differentials and relativities.

THE LEX COLUMN

The two-tier cr[...] threat to B[...]

The downwards rush by interest rates is on again in earnest, and the Bank of England appears prepared to go at least part of the way with the markets. Although yesterday's money supply figures did *not show quite such a large fall* in M3 in February as generally expected sterling M3 remains substantially below the target range. And with the cost of forward sterling cover easing, interest rates if maintained might produce an uncontrolable inflow of hot money. Under the formula MLR could fall by ½ or even 1 per cent. to-day, but the Bank is quite likely to use *its new powers to limit* the drop to half a point. Meanwhile, the clearing banks must be considering a further drop in base rates — interbank rates have eased another point or so in the past week. And gilt-edged *gains stretched to over 1½* points yesterday.

Index rose 5.8 to 433.8



BP

With output by the Forties Field coming up to 400,000 barrels a day by the final quarter, most analysts had been *going for something over £200m.* of net income from BP for 1976. But the figures turned out to be something of an anti-climax yesterday: the last three months only added £55.9m. (admittedly distorted by year-end adjustments) which represents no significant improvement on the £52m. earned in each of the second and third quarters, and the total for the year is just £179.8m. or 46p a share. The price finished 4p down at 884p, where the yield is rather beside the point at 3.5 per cent.

Plainly, the Forties contribution is still being largely lost somewhere inside BP's accounting system. A full interest charge is now being made, and *heavy tax provisions* are being set aside (some £135m. in deferred corporation tax and PRT in October-December). And there is a stocking-up period before the full impact of higher production comes through. Else*where, the European marketing* scene has stayed very poor in most countries for BP, and the helpful currency background of the first nine months became much less favourable as sterling rose towards the year-end. On *the other hand, volume stayed* firm, with product tonnage up a tenth consistently through the year, and even crude sales rallied in the final quarter as liftings jumped ahead of the OPEC price increases. Chemicals volume was up as much as 17 *per cent. for the year.*

In 1977, BP will certainly *derive a major earnings boost* from Forties. But the two-tier OPEC price structure is a serious threat from the second quarter onwards, for BP derives about three-quarters of its crude from the high-price coun*tries.* Earlier outside estimates of about £500m. (130p a share) are tending to be slashed by a quarter or so, but this could be edged up again if the OPEC producers fall back into line.

Slater Walker

Slater Walker's "equity" base declined by a further £6.3m. to just over £31m. in the half-year to last June, and its borrowings must have increased measurably over the period. Some £65m. of the group's £100m. of borrowings at the start of the year was denominated in foreign currencies.

However no *mention* is made in yesterday's interim statement of any proposals to ask the loan stock holders for permission to increase the borrowings limits, which currently stand at roughly three times net worth. Such a move was *said* last September to be on the cards in "the near future."

The reason this has not yet been necessary is that in the second half of 1976 *the* Bank of England allowed SWS to buy *in £15½m. nominal of loans* and bonds at a capital profit of £7m. In theory, SWS is obliged to inject £10m. of new equity capital into its banking subsidiary as soon as practicable—but the Bank is evidently prepared to regard this under-

taking as [...] immediate [...] as a whole [...]
For sha[...] that provid[...] fort, and t[...] banking p[...] going reas[...] new borro[...] ever the [...] depends o[...] which its s[...] producing [...] realised. [...] developme[...] in the ha[...] £3.7m.

Comme[...]

Estates [...] Trust conf[...] it is in bi[...] reasonable [...] that Comm[...] ested. M[...] marketable [...] Lowson [...] appeared [...] House po[...] estimate [...] £30m. of [...] And the [...] fectly obvi[...] can be fi[...] as to incre[...] If it d[...] deal would [...] CU's [...] something [...] rights [...] However [...] increase [...] under [...] per cent. [...] less than [...] petition [...]

Englis[...]

English [...] dividend [...] now cover[...] ings. The [...] shares up [...] last night [...] around tw[...] compares [...] prices for [...] highly ge[...] and Britis[...] So it beg[...] market m[...] BP is no[...] lowing its [...] the past t[...]
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